

LEPELLE - NKUMPI LOCAL



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 2015**

Annual Financial Statements

for

LEPELLE - NKUMPI LOCAL MUNICIPALITY

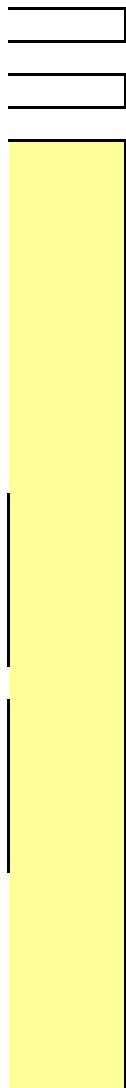
for the year the year ended 30 June 2015

Province: Limpopo

AFS rounding: **R (i.e. only cents)**

Contact Information:

Name of Acting Municipal Manager:	S O Mashiane
Name of Chief Financial Officer:	R M Ngoveni
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Contact e-mail address:	
Name of contact at National Treasury:	
Contact telephone number:	
Contact e-mail address:	



LEPELLE - NKUMPI L
FINANCIAL STATEMENT
30 JUN

General information

Members of the Council

Phaahla M.V

Sibanda N.G

Molaba L.C

Mahlatlolo M.F

Mapheto N.J

Mphahlele R.B

Nchabeleng P.P

Phosa N.B

Ramakolo M.M

Ramoshaba L

Sehlapelo M.J

Thobejane M.M

Phogole M.J

Mmako R.F

Magongoa L.J

Lechelele M.S

Masopoga P.J

Maseema D.M

Themane M.D

Ledwaba L.J

Mpitso K.J

Maditsi D.R

Matabane M.A

Leopeng C.R

Vilankulu

Vilankulu R.J

Machete K.J

Sibanda P.S

Masopoga P.K

Phaahla K.B

Mphahlele M.R

Mphahlele F.M

Mashoene L.P

Makgahlele M.B

Ntsaone M.S

Ramashaba R.S

Mathabatha M.V
Matsimela M.D
Matjuda S.W
Shogole M.W
Ramalla T.A
Kekana M.E
Tsela F.D
Thobejane M.D
Mashiane M.E
Thubakgale N.M
Khwinana M
Mokgophi N.T
Mathabatha M.D
Marema T.G
Phaahla V.M
Mphahlele L.E
Machaka M.P
Mphahlele M.
Sibanda N.G

Acting Municipal Manager

Mr. S O Mashiane

Chief Financial Officer

Ms Rosina M. Ngoveni

Grading of Local Authority

3

Auditors

Auditor-General

Bankers

First National Bank (FNB)

**OCAL MUNICIPALITY
S FOR THE YEAR ENDED
IE 2015**

Mayor

Speaker

Chief whip

Members of the Executive Committee

Members

LEPELLE - NKUMPI L
FINANCIAL STATEMENT
30 JUN

General information (continued)

Registered Office:

Physical address:

Postal address:

Telephone number:

Fax number:

E-mail address:

**LOCAL MUNICIPALITY
S FOR THE YEAR ENDED
IE 2015**

Lebowakgomo

170 BA
Civic Centre
Lebowakgomo
0737

Private Bag
Chuenespoort
0745

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LEPELLE - NKUMPI LOCAL MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2015

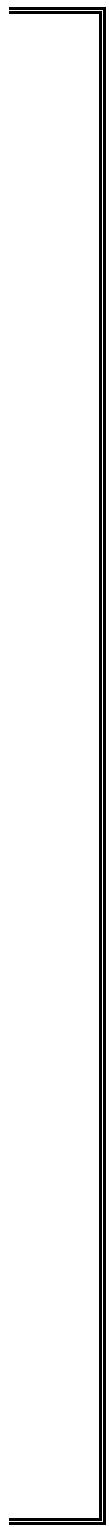
APPROVAL OF ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 35, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 24 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Cooperative Governance and Traditional Affairs determination in accordance with this Act.

Acting Municipal Manager:Mr SO Mashiane

30 November 2015



LEPELLE - NKUMPI LOCAL MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2015

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	Note	2015
ASSETS		
Current assets		
Cash and cash equivalents	2	193 807 016
Receivable from exchange transactions	3	10 711 944
Receivable from non-exchange transactions	4	26 641 458
Other receivables	5	85 293 302
Inventories	6	1 500 975
VAT Receivable	7	-
Non-current assets		
Property, plant & equipment	8	517 298 229
Intangible Assets	9	184 850
Total assets		835 437 773
LIABILITIES		
Current liabilities		
Trade and other payables	10	30 114 253
Consumer deposits from Non Exchange Transactions	11	1 768 636
Unspent conditional grants and receipts	12	55 535 244
Current portion of finance lease obligation	13	72 348
VAT Payable	7	5 521 360
Non-current liabilities		
Provisions	14	12 942 913
Finance lease liability	13	-
Total liabilities		105 954 754
Net Assets		729 483 021
Net Assets		
Accumulated surplus/(deficit)		729 483 028
		729 483 028

(7.32)

2014 Restated R	
108 805 865	0
4 490 343	(6 221 601)
30 652 701	4 011 243
36 028 427	(49 264 875)
761 289	(739 686)
3 953 492	3 953 492
542 386 628	496 865 171.72
265 160	20 433 057.58
727 343 905	17 697 418
29 122 195	992 058
1 717 836	50 800
15 363 114	40 172 129
274 546	(202 198)
-	5 521 360
12 389 158	553 755
72 347	(72 347)
58 939 196	(166 163)
668 404 710	17 863 580
668 404 717	17 863 581
668 404 717	17 863 581
	(6.59)

	Note	2015 R
REVENUE		
Service charges	15	6 065 861
Property rates	16	18 786 098
Finance income	17	10 873 634
Rental of facilities and equipment		218 125
Water and Sanitation:Commission Earned	18	50 732 648
Licences and permits:Department of Transport	19	3 694 649
Government grants and subsidies received - operating	20	169 001 090
Government grants and subsidies received - capital	20	32 881 981
Other revenue	21	2 449 509
Bad debts recovered		
Traffic Fines		2 665 500
Total Revenue		297 369 095
EXPENDITURE		
Employee related costs	23	70 248 841
Remuneration of councillors	24	15 794 896
Bad debts		20 343 868
Depreciation and amortisation expense	25	27 262 896
Free Basic Services: Electricity		7 216 025
Finance cost	26	18 954
Repairs and maintenance		2 636 164
General expenses	28	38 995 356
Contracted services	27	9 035 377
Total Expenditure		191 552 376
Gain/(Loss) on disposal of assets	22	(756 802)
NET SURPLUS/(DEFICIT) FOR THE YEAR		105 059 917

**2014
R
RESTATED**

5 301 681
19 221 957
6 493 851
212 885
36 808 517
3 493 940
143 533 012
14 900 007
49 896 810
7 787 020
3 680 706

291 330 386

62 235 669
14 771 487
0
32 325 079
5 477 209
54 034
2 660 224
65 615 345
4 112 587

187 251 634

(433 834)

103 644 918

LEPELLE-NKUMPI LOCAL M
STATEMENT OF CHANGES IN
FOR THE YEAR ENDED J

Balance at 30 June 2013
Changes in accounting policy
Correction of prior period error
Restated balance
Surplus/(deficit) for the period
<i>Other items</i>
Correction of prior period error
Net gains and losses not recognised in the statement of financial performance
Transfers to / from accumulated surplus/(deficit)
Surplus / (deficit) for the period
Balance at 30 June 2014
Changes in accounting policy
Correction of prior period error
Restated balance
Surplus/(deficit) for the period
Net gains and losses not recognised in the statement of financial performance
Transfers to / from accumulated surplus/(deficit)
Surplus / (deficit) for the period
Balance at 30 June 2015

UNICIPALITY**| NET ASSETS****UNE 2015**

Pre GRAP Reserves & Funds	Accumulated Surplus/ (Deficit)	Total: Net Assets
R	R	R
-	535 275 648	535 275 648
		-
	29 484 150	29 484 150
-	564 759 798	564 759 798
		-
		-
		-
		-
		-
	103 644 918	103 644 918
-	668 404 717	668 404 717
		-
	(43 981 606)	(43 981 606)
-	624 423 111	624 423 111
		-
	105 059 917	105 059 917
	729 483 028	729 483 028

LEPELLE - NKUMPI LOCAL MUNICIPALITY
CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES		
RECEIPTS		
Taxation		262 423 935
Sales of goods and services		5 304 581
Grants		2 667 609
Water and Sanitation Agency Fees		235 373 000
Interest received	17	6 243 191
Other receipts		6 033 189
		6 802 365
PAYMENTS		(136 624 680)
Employee costs		82 448 895
Suppliers		54 156 831
Interest paid		18 954
Other payments		
Cash generated from / (utilized in) operations		133 477 618
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other assets		(41 078 714)
Proceeds from disposal of assets		
Net cash used in investing activities		(41 078 714)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		553 755
(Raising)/payment of finance lease liabilities		(274 545)
Net cash used in financing activities		279 210
Increase/(decrease) in cash and cash equivalents		92 678 115
Cash and cash equivalents at beginning of the year		108 805 865
Cash and cash equivalents at end of June 2015		201 483 980

2014
R

177 741 205

1 878 375
1 451 802
165 475 000
4 047 226
3 866 631
1 022 172

(135 033 684)

74 821 112
60 158 538
54 034

42 862 068

(18 837 207)
332 133

(18 505 074)

10 897 812
(242 810)

10 655 001

35 011 996

73 729 126
108 741 122

2015
R

REVENUE

Service charges	5 831 443
Property rates	19 119 703
Finance income	9 720 361
Rental of facilities and equipment	119 065
Water and Sanitation Agency Fees	7 812 602
Licences and permits:Department of Transport	3 000 000
Government grants and subsidies received - operating	169 709 126
Government grants and subsidies received - capital	84 511 628
Other revenue	59 111 826
Traffic Fines	7 603 200
Total Revenue	366 538 954

BUDGET

EXPENDITURE

Employee related costs	77 918 687
Remuneration of councillors	17 303 649
Bad debts	29 557 299
Depreciation and amortisation expense	35 178 537
Free Basic Services: Electricity	8 220 000
Finance cost	25 000
Repairs and maintenance	9 882 036
General expenses	51 291 395
Contracted services	7 373 320

Total Expenditure

236 749 923

Gain/(Loss) on disposal of assets

0

NET SURPLUS/(DEFICIT) FOR THE YEAR

129 789 031

The final budget and financial statements were both prepared on an accrual basis. See Note:38 for explanation of significant variances greater than 10%.

2015 R	2015 R	2015 R
ACTUAL	VARIANCE	% VARIANCE
6 065 861	(234 418)	-4%
18 786 098	333 605	2%
10 873 634	(1 153 273)	-12%
218 125	(99 060)	-83%
50 732 648	(42 920 046)	-549%
3 694 649	(694 649)	-23%
169 001 090	708 036	0%
32 881 981	51 629 647	61%
2 449 509	56 662 317	96%
2 665 500	4 937 700	65%
297 369 095	69 169 859	-448%
70 248 841	7 669 846	10%
15 794 896	1 508 753	9%
20 343 868	9 213 431	31%
27 262 896	7 915 641	23%
7 216 025	1 003 975	12%
18 954	6 046	24%
2 636 164	7 245 872	73%
38 995 356	12 296 039	24%
9 035 377	(1 662 057)	-23%
191 552 376	45 197 547	183%
756 802	(756 802)	
105 059 917	23 215 510	-631%

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005. These annual financial statements have been prepared on an accrual basis of accounting and are in

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of financial performance, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value Management have made

The write down is included in the impairment of assets note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the municipality is the current bid price. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are

1.1 Significant judgements and sources of estimation uncertainty

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional

Useful lives

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and intangible assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In the event

Post-retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income)

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present

1.2 Presentation of Currency

These annual financial statements are presented in South African Rand which is the functional currency of the

1.3 Going concern assumption

In terms of the accounting standard GRAP 1 paragraphs 27 to 30 the annual financial statements are prepared on a going concern basis. The assumption is based on the fact that the municipality may invoke its power to levy additional rates or taxes to enable the municipality to be considered as a going concern even though the

1.4 Investment property

Investment property is property (land or a building, or part of a building, or both) held to earn rentals for capital appreciation or both, rather than for:

- use in the production or supply of goods or services, or for
- administrative purposes, or

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality and the cost or fair value of

Initial Recognition:

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair

Subsequent Measurement:

Investment property is measured at fair value. After initial recognition all investment property is measured at fair value at each Statement of financial position date. No depreciation is calculated on these properties.

Item	Useful life
Property - land	indefinite
Property - buildings	5 - 50 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service are expected from its disposal

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are

The cost of an item of property, plant and equipment is recognised as an asset when:

- Ø it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- Ø the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. Recognition of costs in the

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition. Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair

If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which is carried at re-valued amount being the fair value at the date of revaluation

Subsequent Measurement:

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases

1.5 Property, plant and equipment Continues . . .

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their

The useful lives of items of property, plant and equipment have been assessed as follows:-

Item	Useful life
Land	Indefinite
Buildings	10 - 30 years
Infrastructure	
· Roads	10 - 100 years
· Electricity	5 - 80 years
Other assets	
· Machinery and equipment	2 - 15 years
· Furniture and equipment	5 - 15 years
· Computer equipment	5 - 10 years
· Vehicles	7 - 15 years

In the event that assets are fair valued, the useful lives of those assets is the estimated remaining useful life on

The asset management policy contains the details of the components and their specific useful life estimates.

The residual value, the useful life and the depreciation method are reviewed at least at every reporting date.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising from the de-recognition of an item of Intangible assets is included in surplus or deficit when the items derecognised. The gain or loss arising from the de-recognition of an item of property, plant and equipment is determined as the

1.18 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance and recognised when:

- Ø it is probable that the expected future economic benefits that are attributable to the asset will flow to
- Ø the cost of the asset can be measured reliably.

An asset is identified as an intangible asset when it:

- Ø is capable of being separated or divided from an entity and sold, transferred, licensed, rented or
- Ø arises from contractual rights or other legal rights, regardless whether those rights are transferable or

Intangible assets are initially recognised at cost.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is

- Ø it is technically feasible to complete the asset so that it will be available for use or sale.
- Ø there is an intention to complete and use or sell it.
- Ø there is an ability to use or sell it.
- Ø it will generate probable future economic benefits.

- Ø there are available technical, financial and other resources to complete the development and to use or
- Ø the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as

1.18 Intangible assets continues . . .

Item	Useful life
Computer software	5 years

Intangible assets are derecognised:

- Ø on disposal; or
- Ø when no future economic benefits or service potential are expected from its use or disposal.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost at reporting date comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned using the first-in, first-out (FIFO) method. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount

1.6 Inventories continues . . .

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with

Unsold properties are at the lower cost and net realisable value. Direct cost are accumulated for each separately

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial

A concessionary loan is a loan granted to or received by an entity on terms that are not market related. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Currency risk is the risk that the fair value or future cash flows of a financial instrument

De-recognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When (Transactions) transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - § receive cash or another financial asset from another entity; or
 - § exchange financial assets or financial liabilities with another entity under conditions that are

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Loan commitment is a firm

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had

1.7 Financial instruments continues . . .

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the

Class Category

Cash and cash equivalents
Financial asset measured at amortised cost
Trade and other receivables from non-exchange transactions
Financial asset measured at amortised cost.
Trade and other receivables from exchange transactions Financial asset measured at amortised cost

Long term receivables Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of

Class Category

Long term liabilities Financial liability measured at amortised cost
Trade and other payables Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value]. The entity analyses a concessionary loan into its component parts and accounts for each component separately.

The entity accounts for that part of a concessionary loan that is:

1.7 Financial instruments continues . . .

- Ø a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- Ø non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following

- Ø Financial instruments at fair value.
- Ø Financial instruments at amortised cost.
- Ø Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If

participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data. The fair value of a financial liability with a

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- Ø combined instrument that is required to be measured at fair value; or
- Ø an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined

This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit. For financial assets and financial liabilities measured at amortised cost deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation

Impairment and un-collectability of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred)

1.7 Financial instruments continues . . .

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the

De-recognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- Ø the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- Ø the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

Ø the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:

- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received

If the entity transfers a financial asset in a transfer that qualifies for de-recognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of If the transferred asset is part of a larger financial asset and the part transferred qualifies for de-recognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The

If a transfer does not result in de-recognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled, expires or

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised.

Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as

1.7 Financial instruments continues . . .

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit. Losses and gains relating to a financial instrument or a

Distributions to holders of residual interests are debited by the entity directly to net assets, net of any related income tax benefit [where applicable]. Transaction costs incurred on residual interests is accounted for as a

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In accounting

1.8 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable,

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- Ø the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- Ø the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured
- Ø it is probable that the economic benefits or service potential associated with the transaction will flow to
- Ø the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the

- Ø the amount of revenue can be measured reliably;
- Ø it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- Ø the stage of completion of the transaction at the reporting date can be measured reliably; and
- Ø the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Service revenue is recognised by

1.8 Revenue from exchange transactions continues

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised

- Ø It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- Ø The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive

Service fees included in the price of the product are recognised as revenue over the period during which the

1.9 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified. Stipulations on transferred assets are terms in laws or regulation, or a Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue,

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality. When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied,

1.9 Revenue from non-exchange transactions continues

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset. The municipality recognises an asset in respect of transfers when the transferred resources meet the

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be

1.10 Conditional Grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To

1.11 Provisions and contingencies

Provisions are recognised when:

- Ø the municipality has a present obligation as a result of a past event;
- Ø it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- Ø a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of

A provision is used only for expenditure for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision. No obligation arises as a consequence of the sale or transfer of an sale or transfer, that is, there is a binding agreement.

After their initial recognition contingent liabilities recognised in business combinations that are recognised

- Ø the amount that would be recognised as a provision; and
- Ø the amount initially recognised less cumulative amortisation.

1.11 Provisions and contingencies continues . . .

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

1.12 Unauthorised expenditure

Unauthorised expenditure means:

- Ø overspending of a vote or a main division within a vote;
- Ø expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the

1.13 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), The Public Office Bearers Act (Act No. 20 of 1998) or is

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.14 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rand's, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the from those at which they were translated on initial recognition during the period or in previous annual financial

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in surplus

Cash flows arising from transactions in a foreign currency are recorded in Rand's by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow

1.16 Comparative figures

Current year comparatives

Budgeted amounts have been included in the statement of comparison of budget and actual amounts for the

Prior year comparatives

When presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is

1.17 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards

1.17 Leases continues . . .

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a

Operating leases – lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an

Any contingent rents are expensed in the period they are incurred.

1.19 Non-current assets held for sale

Non-current assets are classified as "held for sale assets" if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be

Non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell. A non-current asset is depreciated (or amortised) while it is classified as a "held for sale" asset.

Interest and other expenses attributable to the liabilities of the "held for sale assets" are recognised in surplus or

1.20 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon. A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its

Useful life is either:

- Ø the period of time over which an asset is expected to be used by the municipality; or
- Ø (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life. When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from

Basis for estimates of future cash flows

In measuring value in use the municipality:

- Ø base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset.

1.20 Impairment of cash-generating assets continues . . .

- Ø base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum
- Ø estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-

Composition of estimates of future cash flows

Estimates of future cash flows include:

- Ø projections of cash inflows from the continuing use of the asset;
- Ø projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or
- Ø net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- Ø cash inflows or outflows from financing activities; and
- Ø income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use

- Ø the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- Ø the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified. The carrying amount of a cash-generating unit is determined on a basis consistent

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the

The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- Ø its fair value less costs to sell (if determinable);
- Ø its value in use (if determinable); and
- Ø zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit. Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that noncash-generating asset is allocated to the carrying

1.20 Impairment of cash-generating assets continues . . .

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a re-valued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. A reversal of an impairment

losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not

- Ø its recoverable amount (if determinable); and
- Ø the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is

Re-designation

The re-designation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a re-designation

1.21 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the

- Ø the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- Ø the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- Ø an entity's decision to terminate an employee's employment before the normal retirement date; or
- Ø an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees

Vested employee benefits are employee benefits that are not conditional on future employment. Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the

1.21 Employee benefits continues

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits continues

Short-term employee benefits include items such as:

- Ø wages, salaries and social security contributions;
- Ø short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- Ø bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- Ø non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- Ø as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- Ø as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment. Post-employment benefit plans are formal or informal arrangements under which an

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund

When an employee has rendered service to the entity during a reporting period, the entity recognise the

- Ø as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- Ø as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of each reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect

1.21 Employee benefits continues

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting municipality) that are held by a municipality (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay

- Ø the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- Ø the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Interest cost is the increase during a period in the present value of a defined benefit

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies. The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An

The amount recognised as a defined benefit liability is the net total of the following amounts:

- Ø the present value of the defined benefit obligation at the reporting date;
- Ø minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- Ø plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the

- Ø the amount determined above; and
- Ø the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date. The municipality recognises the net

- Ø current service cost;
- Ø interest cost;
- Ø the expected return on any plan assets and on any reimbursement rights;
- Ø actuarial gains and losses;
- Ø past service cost;
- Ø the effect of any curtailments or settlements; and

1.21 Employee benefits continues . . .

- Ø the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in

- Ø the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- Ø the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- Ø any resulting change in the present value of the defined benefit obligation; and
- Ø any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices). When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled. The rate used to discount post-employment benefit obligations (both funded and The currency and term of the financial instrument selected to reflect the time value of money is consistent with

Post-employment benefit obligations are measured on a basis that reflects:

- Ø estimated future salary increases;
- Ø the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes
- Ø estimated future changes in the level of any state benefits that affect the benefits payable under a
- Ø those changes were enacted before the reporting date; or
- Ø past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary

Assumptions about medical costs take account of estimated future changes in the cost of medical services,

Pension Obligations: The municipality and its employees contribute to 4 different Pension Funds, of which 2 (The Municipal Employees Pension Fund and Municipal Gratuity Fund) cater for the majority of the staff. Municipal Employees Pension Fund, Municipal Gratuity Fund and National Fund for Municipal Workers are defined benefit

1.21 Employee benefits continues . . .

The schemes are funded through payments to financial consultant companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Municipality pays fixed

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Municipality has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit

1.22 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.23 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The

- Ø Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset
- Ø Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total

The capitalisation of borrowing costs commences when all the following conditions have been met:

- Ø expenditures for the asset have been incurred;
- Ø borrowing costs have been incurred; and
- Ø activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets as per accounting policy number 1.21. In certain

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale

1.24 Use of Estimates

The preparation of annual financial statements in conformity with Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are

1.25 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by

1.26 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial

1.27 Grants in aid

The Lepelle-Nkumpi Municipality transfers money to individuals, institutions and organisations. When making these transfers, The Municipality does not: Receive any goods or services directly in return, as would be expected in a purchase or sale transaction Expect to be repaid in future; or Expect a financial return, as would be

1.28 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its

Useful life is either:

- Ø the period of time over which an asset is expected to be used by the municipality; or
- Ø the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. The municipality assesses at each reporting date whether there is any indication that a non-cash-

Value in use

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater

Restoration cost approach

Restoration cost is the cost of restoring the service potential of a cash-generating asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential

1.28 Impairment of non-cash-generating assets continues . . .

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a re-valued non-cash-generating asset is treated as a revaluation decrease. When the amount estimated for an impairment loss is After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase. After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-

Re-designation

The re-designation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a re-designation

1.29 Presentation of Budget Information in the Financial Statements

The Municipality shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and

- Ø the approved and final budget amounts;
- Ø the actual amounts on a comparable basis; and
- Ø by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the

A comparable basis means that the budget and annual financial statements:

- Ø are prepared using the same basis of accounting i.e. either cash or accrual;
- Ø include the same activities and entities;
- Ø use the same classification system; and
- Ø are prepared for the same period.

1.30 Heritage Assets

Recognition of Assets

Heritage assets is recognised when it has a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot

1.30 Heritage Assets continues

A heritage asset is further recognised as an asset only if:

- Ø it is probable that future economic benefits or service potential associated with the asset will to the
- Ø the cost of fair value of the asset can be measured reliably.

Subsequent Measurement

Heritage asset is measured at its cost value and should it be acquired through a non-exchange transaction will it be measured at its fair value as at the date of acquisition and is carried at its cost less any accumulated

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus and is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit and is debited directly to a

Although a heritage asset is not depreciated is the heritage asset assess at each reporting date to disclose

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

The municipality will treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this Standard. Should any item of property, plant and equipment or an intangible asset carried at a re-valued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a re-valued amount, the entity applies the applicable Standard to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of Item use Fill Live

Property and building – Indefinite
Other Assets - 5 to 50 years

De-recognition of Asset

The carrying amount of a heritage is de-recognised:

- Ø on disposal, or
- Ø when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition, of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.31 VALUE ADDED TAX (VAT)

The municipality accounts for Value Added Tax on the cash basis.

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2012 or later periods:

GRAP 18: Segment Reporting - Issued March 2005

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation will

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the

The effective date of the standard is for years beginning on or after 01 April 2011.

The municipality expects to adopt the standard for the first time in the 2012 annual financial statements. It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 20: Related Party – Issued June 2011

Related party relationships exist throughout the public sector, because:

- (a) The Municipalities is subject to the overall direction of an executive government or Council and ultimately,
- (b) The Municipality conduct activities necessary for the achievement of different parts of their responsibilities and objectives through separate controlled entities, and through entities over which they have significant
- (c) Public entities enter into transactions with other government entities on a regular basis, and
- (d) Ministers, councillors or other elected or appointed members of the government and other members of

The mere existence of related party relationships means that one party can control, jointly control or significantly influence the activities of another party. This provides the opportunity for transactions to occur on a basis that may give one party an advantage at the expense of another. Therefore the disclosure of related party

Management could hold positions of responsibility within an entity and therefore members of management will be responsible for the strategic direction and operational management of an entity and are entrusted with significant authority. However, their responsibilities may enable them to influence the benefits of office that flow to them, or

Close members of the family of persons related to the entity may influence, or be influenced by them in their

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity.

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the

At present the impact of the standard is not material..

"GRAP 105: Transfer of Functions between Entities under Common Control – Issued November 2010"

"The compliance to the standard would have no effect on the present presentation of the Annual Financial Statement. However should in the future it be necessary to transfer functions between entities under common

"GRAP 106: Transfer of Function between Entities Not Under Common Control – Issued November 2010"

"The compliance to the standard would have no effect on the present presentation of the Annual Financial Statement. However should in the future it be necessary to transfer functions between entities not under

GRAP 107: Mergers – Issued November 2010

"The compliance to the standard would have no effect on the present presentation of the Annual Financial Statement. However should in the future there be a merger between entities will the accounting policy be

2.

2.1

2.2

2.3

2.4

2.5

3.

4.

5.

6.

7.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Cash on hand
Cash at bank
Call deposits

The municipality has the following bank accounts:

Paymaster General Account

Cash book balance at beginning of year
Cash book balance at end of year

Bank statement balance at beginning of year
Bank statement balance at end of year

Revenue Account

Cash book balance at beginning of year
Cash book balance at end of year

Bank statement balance at beginning of year
Bank statement balance at end of year

Salaries Account

Cash book balance at beginning of year
Cash book balance at end of year

Bank statement balance at beginning of year
Bank statement balance at end of year

Money Market Account

Cash book balance at beginning of year
Cash book balance at end of year

Bank statement balance at beginning of year
Bank statement balance at end of year

Cash on hand

Cash and Cash Equivalent

Cash and cash equivalents are classified as financial instruments under the loans and receivable category, investments no amortisation was performed.

No cash and cash equivalents (or portions thereof) were pledged as security for any financial liabilities.

No restrictions exist with regard to the use of cash and no portion is past due or impaired.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, with other credit enhancements.

TRADE& OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade receivables

Refuse

Gross balance

Less: Provision for Doubtful Debts

Net balance

Refuse: Ageing

Current (0 – 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121 - 365 Days

+ 365 Days

Total

TRADE & OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

Trade receivables

Rates

Gross balance

Plus Credit Debtor Balances - Refer to note

Less: Provision for Doubtful Debts

Net balance

Rates: Ageing

Current (0 – 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121 - 365 Days

+ 365 Days

Total

Reconciliation of the doubtful debt provision

Balance at beginning of the year

Contributions to provision

Doubtful debts written off against provision

Reversal of provision

Balance at end of year

Trade and other receivables past due but not impaired

Consumer debtors pledged as security

Consumer debtors were not pledged as security for overdraft facilities.

Consumer debtors impaired

The amount of the provision was R84 116 249 as at June 2015. (2014: R71 674 412).

Interest Raised 2014/2015

During the 2014/2015 Financial year interest on outstanding receivables were calculated at a rate of 10

OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTION

CDM Advance Account: Commission

Traffic Department (80:20 Ratio)

Other debtors

CDM: Landfill Management

Intergrated National Electrification Programme

Total Other Receivables

Other Receivables

Trade and other receivables pledged as security

Trade and other receivables were not pledged as security for overdraft facilities.

INVENTORIES

Consumable stores - at cost

Opening balance

Additions

Issued (expensed)

Stock adjustment

Write-down / (reversal of write-down) to Net Replacement Value (NRV) or Net Replacement Cost (NRC)

Closing balance

Stock Written Off

During the financial period stock were written down due to redundancy of the stock and damages which amounted R226 027 previous financial periods

VAT RECEIVABLE/(PAYABLE)

VAT receivable/(payable)

2015
R

2014
R

6 606	3 877
11 447 980	8 156 403
182 352 429	100 645 585
<u>193 807 016</u>	<u>108 805 865</u>

4 716 780	457 238
<u>8 450 514</u>	<u>4 716 780</u>

4 716 780	124 054
<u>8 433 622</u>	<u>4 716 780</u>

3 310 337	2 121 408
<u>1 542 378</u>	<u>3 310 337</u>

3 274 657	1 100 162
<u>681 718</u>	<u>3 274 657</u>

129 286	2 316
<u>1 455 088</u>	<u>129 286</u>

129 286	2 316
<u>1 455 088</u>	<u>129 286</u>

100 645 585	71 142 619
<u>182 352 429</u>	<u>100 645 585</u>

100 645 585	240 944
<u>182 248 822</u>	<u>100 645 585</u>

<u>6 606</u>	<u>3 877</u>
--------------	--------------

y. Due to the short term nature of these

2015

R

2014

R

hout taking account of any collateral held or

2015

2014

29 017 911

19 619 334

18 305 967

15 128 991

10 711 944

4 490 343

1 423 885

951 203

723 067

442 000

608 005

425 384

603 472

412 902

4 649 296

3 228 938

21 010 186

14 158 907

29 017 911

19 619 334

2015
R

2014
R

97 104 738	82 052 310
3 250 032	5 146 812
<u>100 354 770</u>	<u>87 199 122</u>
73 713 312	56 546 421
<u>26 641 458</u>	<u>30 652 701</u>

4 950 279	4 468 931
1 734 745	2 134 091
1 706 983	2 059 291
1 680 092	2 024 303
15 000 343	15 313 280
75 282 327	61 199 226
<u>100 354 770</u>	<u>87 199 122</u>

71 675 412	79 462 432
20 343 868	
	(7 787 020)
<u>92 019 280</u>	<u>71 675 412</u>

1% as per the tariff structure.

74 826 247	29 202 783
-	-
7 205 055	5 847 244
-	978 400
3 262 000	-
<u>85 293 302</u>	<u>36 028 427</u>

2015
R

2014
R

761 288.86	197 447
8 281 264.44	792 732
(7 388 297.27)	(852 596)
	623 706

<u>(226 027.00)</u>	
<u>1 500 975</u>	<u>761 289</u>

<u>(226 027)</u>	-
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<u>(5 521 360)</u>	<u>3 953 492</u>
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Lepelle-Nkumpi
NOTES TO THE FINA
FOR THE YEAR E

8 PROPERTY, PLANT AND EQUIPMENT

8 Reconciliation of Carrying Value	Land and Building R	Infrastructure R
as at 1 July 2014	275 908 677.41	159 270 277.54
Cost/Revaluation	342 262 934.97	190 205 882.97
Accumulated depreciation	(66 354 257.56)	(30 935 605.44)
Impairment losses	-	-
Acquisitions/ Additions	6 366 743.89	10 814 096.89
Donated		
Depreciation	(16 491 648.56)	(6 554 346.43)
Impairment loss/Reversal of impairment loss		
Transfers - Cost	9 533 474.63	3 888 752.85
Transfers - Accumulated depreciation		
Other movements*		
Disposal - Cost	(505 372.81)	-
Disposal - Accumulated depreciation	(722 243.84)	
Disposal - Accumualted impairment	216 871.03	
as at 30 June 2015		
Cost/Revaluation	274 811 874.56	167 418 780.85
Accumulated depreciation	357 440 909.65	204 908 732.71
Impairment losses	(82 629 035.09)	(37 489 951.87)

Lepelle-Nkumpi
NOTES TO THE FINA
for the Year En

8 Reconciliation of Carrying Value	Land and Building	Infrastructure
	R	R
as at 1 July 2013	252 793 070.40	171 921 516.71
Cost/Revaluation	301 207 798.30	253 654 228.35
Accumulated depreciation	(48 414 727.90)	(81 732 711.65)
Impairment losses	-	-
Acquisitions/ Additions	3 180 518.24	1 411 179.68
Donated	17 000 000.00	31 285 829.04
Depreciation	(15 555 195.84)	(12 380 693.78)
Impairment loss/Reversal of impairment loss	-	-
Correction of error		
Correction of error - Cost	15 950 702.75	(115 464 118.83)
Correction of error - Accumulated depreciation	(2 255 331.89)	63 177 799.99
Transfers - Cost	13 414 431.32	19 318 764.73
Transfers - Accumulated depreciation	(129 001.93)	
Other movements*	-	-
Disposal - Cost		
Disposal - Accumulated depreciation		
Disposal - Accumualted impairment		
as at 30 June 2014	270 703 822.18	211 556 596.38
Cost/Revaluation	334 802 747.85	305 670 001.80
Accumulated depreciation	(64 098 925.67)	(94 113 405.43)
Impairment losses	-	-

Refer to Appendix B for more detail on property, plant and equipment

Pledged as security

No property, plant and equipment were pledged as security for any financial liabilities.

Other information

Various adjustments were made to property, plant and equipment. These relate to assets that were not previously recognised and re-classification of assets.

Assets that were not previously recognised, were fair valued and remaining useful lives were determined based on the assets current condition.

Local Municipality
NANCIAL STATEMENTS
ENDED 30JUNE 2015

Capital Work in Progress	Other and Moveable Assets	Lease Assets	Total	
	R	R	R	
32 724 693.78	20 148 177.05	322 830.32	488 374 656.09	
32 724 693.78	32 585 800.08	1 420 493.37	599 199 805.18	496865171.7
-	(12 424 235.23)	(1 097 663.05)	(110 811 761.28)	542 386 628
-	(13 387.81)	-	(13 387.81)	
25 695 656.06	4 977 521.30	-	47 854 018.14	
	284 417.99		284 417.99	
	(3 878 327.02)	(258 263.84)	(27 182 585.85)	
(4 861 087.85)	163 385.28	-	8 724 524.91	
-	(251 429.17)	-	(756 801.98)	
	(715 934.42)		(1 438 178.26)	
	464 505.25		681 376.28	
53 559 261.99	21 443 745.43	64 566.48	517 298 229.30	
53 559 261.99	37 295 190.23	1 420 493.37	654 624 587.96	
-	(15 838 057.00)	(1 355 926.89)	(137 312 970.85)	
-	(13 387.81)	-	(13 387.81)	

Local Municipality
NANCIAL STATEMENTS
 dated 30 June 2014

Capital Work in Progress	Other and Moveable Assets	Lease Assets	Total	
	R	R	R	
61 033 483.00	22 920 074.16	778 391.79	509 446 536.05	
61 033 483.00	33 007 888.82	1 420 493.37	650 323 891.84	
-	(10 073 376.66)	(642 101.59)	(140 862 917.80)	
-	(14 438.00)	-	(14 438.00)	
10 941 309.96	3 304 198.63		18 837 206.50	
			48 285 829.04	
	(3 806 961.14)	(455 561.47)	(32 198 412.23)	
	-	-	-	
(6 080 840.72)	(1 126 830.36)	-	(106 721 087.16)	(45 521 457)
	277 162.53		61 199 630.63	
(33 169 258.46)	(869 650.54)	-	(1 305 712.95)	
	216 151.58		87 149.65	
	-	-	-	
(765 967.81)		-	(765 967.81)	
	(1 729 806.47)		(1 729 806.47)	
	962 788.46		962 788.46	
	1 050.19		1 050.19	
38 805 534.50	20 997 844.88	322 830.32	542 386 628.25	(0)
38 805 534.50	33 712 630.44	1 420 493.37	714 411 407.97	
-	(12 701 397.76)	(1 097 663.05)	(172 011 391.91)	
-	(13 387.81)	-	(13 387.81)	

8 490 515.63
-54 011 972.16

45 690 991

9

INTANGIBLE ASSETS

Reconciliation of Carrying Value - opening

Cost

Accumulated amortisation

Acquisitions

Amortisation

Impairment loss

Transfer in - Cost

Prior year adjustment

Transfer in - Accumulated amortisation

Reconciliation of Carrying Value - opening

Cost

Accumulated amortisation

Accumulated impairment

Intangible assets comprise of computer software.

10

TRADE AND OTHER PAYABLES

Trade creditors

Retentions

Leave provision

Bonus provision

Traffic Department

Other Creditors

CDM Advance Account: R & M

Total Trade and Other Payables

The fair value of trade and other payables approximates their carrying amounts.

11

CONSUMER DEPOSITS FROM NON -EXCHANGE TRANSACTIONS

Total Consumer Deposits

No interest is paid on consumer deposits.

12

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional Grants from other spheres of Government

MIG

LED Learnership

FMG

MSIG

DME

EPWP

CDM: LANDFILL MANAGEMENT

CDM : REFURBISHMENT OF NOKO TLOU STADIUM

CDM : HALLS

CDM : STADIUM

CDM Integrated Transport plan

CDM Waste Management Cleaning

CDM Eradication of Alien Plants

See note 19 for the reconciliation of grants from other spheres of government.

Conditional Grants

The extent of government grants recognised in the Statement of financial performance r conditions have been met

Unfulfilled conditions and other contingencies attaching to government assistance that h Statement of financial position

An amount of R 3 262 000 was withheld by National Treasury for DME, even though the the roll over.

13	FINANCE LEASE LIABILITY	Minimum lease payment
	30 June 2015	
	Amounts payable under finance leases	
	Within one year	73 375
13.1	Within two to five years	<hr/> - <hr/>
		73 375
	Less: Amount due for settlement within 12 months (current portion)	<hr/> (73 375) <hr/> <hr/> - <hr/>

31 June 2014	
Amounts payable under finance leases	
Within one year	293 499.12
Within two to five years	73 374.78
	<hr/>
	366 874
Less: Amount due for settlement within 12 months (current portion)	<hr/>
	(293 499)
	<hr/>
	73 375
	<hr/>

The average lease term is 3 years and the average effective borrowing rate is 16%. Interest on the lease is recognised as an expense in the statement of comprehensive income over the lease term. Some leases have fixed repayment terms and other escalate by not more than 10% per annum. Obligations under finance leases are secured by the lessee's assets.

14 PROVISION

NON CURRENT PROVISION

14.1 Long service awards

Opening balance

Current Service Cost
Interest cost
Benefit Vesting
Actuarial loss/(gains)

Closing balance

14.2 Environmental rehabilitation

Opening balance

Increase/ (decrease) in provision resulting from a change in discount rate
Increase/ (decrease) in provision resulting from remeasurement of the estimated future cash flows or service potential
Increase/ (decrease) in provision arising from passage of time (unwinding of discount)
Reduction in provision due to payments made
Unused amounts reversed

Closing balance

Total Non -Current Provision

Long service awards

Employees qualify for the following long service awards in terms of the SALGA collective agreement:

The employees will qualify for long service award for every five years of service completed. The award is:

In the month that each "Completed Service" milestone is reached, the employee is granted a day off.

Working days awarded are valued at 1/250 of annual salary per day.

Actuarial report was compiled by ARCH Actuarial Consulting appointed by the Council.

Environmental rehabilitation

The provision is made in terms of the licensing stipulations. The Provision has been determined by an independent study. The cost factors derived from the study by a consulting firm of environmental rehabilitation are uncertain.

15 SERVICE CHARGES

Refuse Removal(Lebowakgomo)
Sale of Sites:Residential

Total Service Charges**16 PROPERTY RATES**

Actual
Residential
Commercial
Agriculture
State

Total property rates**VALUATIONS**

Residential
Commercial
Agricultural
State

Valuations on land and buildings are performed every four years. The last valuation carried out in 2012. The valuations are processed on an annual basis to take into account changes in individual properties and subdivisions. The next general valuation will be implemented on 1 July 2016.

17 FINANCE INCOME

Interest receivable - Accounts receivable
Interest receivables - External investments
Interest receivables - Current account

18 COMMISSION EARNED
 Commission received from sale of water
 The commission received from Capricorn District Municipality for the collection of revenue of the District Municipality. This is an SLA allowing Lepelle -Nkumpi to receive all revenue amount reflected is therefore 100% of the current year related debtor collected.

19 AGENCY FEES
 Licences and permits :Department of Transport

Operating Grants
 Equitable share
 Finance management Grant
 Municipal Systems Improvement Grant
 EPWP
 CDM: Landfill Management
 CDM Eradication of Alien Plants
 CDM Integrated Transport Plan
 CDM Waste Management (Cleaning)

20 Capital Grants
 Municipal Infrastructural Grant
 CDM:Upgrading of Noko Tlou Stadium
 Department of Minerals & Energy
 Refurbishment of Mamaolo Community Hall

Total Government Grants & Subsidies

20.1 *Equitable Share*
 In terms of the Constitution, this is an unconditional grant used to subsidise the provision of basic services to indigent community members.

20.2 *Finance Management Grant*
 Balance unspent at beginning of year
 Current year receipts
 Conditions met – transferred to revenue
Unspent amount transferred to liabilities
 municipal financial management and the implementation of

20.3 *Municipal Systems Improvement Grant*
 Balance unspent at beginning of year
 Current year receipts
 Conditions met – transferred to revenue
Unspent amount transferred to liabilities

The purpose of the grant is for institutional systems. No funds were withheld or delayed.

20.4 *Municipal Infrastructure Grant (MIG)*

Balance unspent at beginning of year
Current year receipts

Withheld
Conditions met – transferred to revenue
Unspent amount transferred to liabilities

This grant were used to construct municipal infrastructure to provide basic services for the benefit of poor households.
The conditions of the grant were met.

20.5 *Intergated National Electrification Programme*

Balance unspent at beginning of year

Current year receipts

Withheld
Conditions met – transferred to revenue
Unspent amount transferred to liabilities

This grant were used to construct municipal infrastructure to provide basic services for t conditions of the grant were met.The 2014/15 INEP grant will be reported under Note 5 Transaction because the amount was erroneously withheld by National Treasury as uns for 2014/15 was R1 010 871 and was approved by National Treasury.

20.6 *LED Learnership*

Balance unspent at beginning of year

Current year receipts

Conditions met – transferred to revenue
Unspent amount transferred to liabilities

20.7 EPWP
 Balance unspent at beginning of year
 Current year receipts
 Conditions met – transferred to revenue
Unspent amount transferred to liabilities

20.8 CDM: Refurbishment of Noko Tlou
 Balance unspent at beginning of year
 Current year receipts
 Conditions met – transferred to revenue
Unspent amount transferred to liabilities

20.9 CDM:Refurbishment of Mamaolo Hall
 Balance unspent at beginning of year
 Current year receipts
 Conditions met – transferred to revenue
Unspent amount transferred to liabilities

20.10 CDM:Seleteng Diamond Softball
 Balance unspent at beginning of year
 Current year receipts
 Conditions met – transferred to revenue
Unspent amount transferred to liabilities

20.11 CDM:Landfill Management
 Balance unspent at beginning of year
 Current year receipts
 Conditions met – transferred to revenue
Unspent amount transferred to liabilities

21 OTHER REVENUE
 Other revenue

22 GAIN/(LOSS) ON DISPOSAL OF ASSETS
 Property, plant and equipment

23 EMPLOYEE RELATED COSTS
 Employee related cost - Salaries and wages
 Employee related cost - Social contributions
 Housing benefits and allowances
 Leave provision
 Long service awards

There were no advances paid to employees.

Municipal Manager
 Annual Remuneration
 Bonus
 Travel Allowances and other allowance
 Contributions to Medical and Pension Fund

Acting Municipal Manager(Seconded)

Annual Remuneration
Travel Allowances and other allowance

Chief Financial Officer
Annual Remuneration
Travel Allowances and other allowance
Contributions to Medical and Pension Fund

Director: Technical Services
Annual Remuneration
Travel Allowances and other allowance
Termination and Leave paid
Contributions to Medical and Pension Fund

Director: Community Services
Annual Remuneration
Acting allowance
Travel Allowances and other allowance
Termination and Leave paid
Contributions to Medical and Pension Fund

Director: Corporate Services

Annual Remuneration
 Acting allowance
 Travel Allowances and other allowance
 Contributions to Medical and Pension Fund

Director: Strategic Planning(LED)

Annual Remuneration
 Acting allowance
 Travel Allowances and other allowance
 Contributions to Medical and Pension Fund

24**REMUNERATION OF COUNCILLORS**

Mayor
 Chief Whip
 Speaker
 Executive Committee Members
 Councillors
 Councillors' pension and medical aid contributions
 Councillors' allowances

The Mayor, Speaker and Chief Whip are full -time. Each is provided with an office and a Council owned vehicle and driver for official duties.

Councillor's arrear consumer accounts

	Total
The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2015: -	
Phaahla MV	586
Mashiane ME	577
Ramoshaba LL	5 927
Machete KJ	1 204
Khwinana M	680
Mphahlele LE	2 526
Phosa SP	142
Sibanda P.S	70
Thobejane M.M	127
	<u>11 837</u>

as at June 2014

	Total
Ramoshaba L.L	5 224
Thobejane M.M	149
Machete K.J	813
Sibanda P.S	3 670
Phaahla K.G	3 116
Mashiane M.E	275
Khwinana M	3 007

Mphahlele L.E	9 718
Ramalla T	7 669
Mokgophi M.T	8 161
Total Councillor Arrear Consumer Accounts	41 802

25 DEPRECIATION AND AMORTISATION EXPENSE

Property, plant and equipment

Intangible assets

26 FINANCE COST

Interest on finance leases

27

CONTRACTED SERVICES

Contracted services for:

Refuse

Security costs

Security services provided at most of the Municipal buildings.

28

GENERAL EXPENSES

Included in general expenses is the following: -

Audit Fees
Advertising
Audit Committee Costs
Accommodation and Meals
Bank Charges
Cattle Pound
Commission on SAPO and Easy Pay
Communications
Conference and Congresses
LED Forum
Council Functions
PMU Expenses
Council: Mpact Functions
Council: Refreshments: Exco
Sector Forum
Greening
Consultants Fees
Consumer Accounts
Community Participation
Electricity Projects
FMG : Interns Allowances
Forensic Services
Free Basic Services Water
Fuel Municipal Vehicles
Insurance
Infrastructure Development Plan L/Kgomo
Legal Fees
Membership Fees
IDP Review Processes
Ward Committee Support
Office Refreshments
Postage
Printing and Stationery
Protective Clothing
Rental of Office Equipment
Stores & Materials

Subsistence & Travelling
Telephone :Landlines & Fax
Telephone :Cellphones
Ward Committees
PMU Expenses
Council Conferences & Congresses
Council Functions
Council: Refreshments: Mayors Office
Council: Refreshments: Speakers Office
Council: Travel & Subsistence
Whippery Office: Refreshments
Cleaning Materials
Licencing: Municipal Fleet
Valuation Roll
Refuse Removal Mathibela
Electricity Accounts
Water Provision:Mathibela
IT Support Services
Skills Developmet Levy
Council Skills Development Levy
Skills Developmet Levy
Environmental rehabilitation
Electronic Traffic Fines Management
Other

29

CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year
Adjustment for: -
Depreciation and amortisation
Bad Debt Provision
Donations Received - PPE
Contribution to provisions - non current
Contribution to provisions - current
Finance costs
Impairment loss / (reversal of impairment loss)
Interest earned
Profit on Sale of Assets

Operating surplus before working capital changes:

(Increase)/decrease in inventories
(Increase)/decrease in trade receivables - exchange transaction
(Increase)/decrease in trade receivables - non exchange transaction
(Increase)/decrease in other receivables
(Increase)/decrease in VAT receivable
Increase/(decrease) in conditional grants and receipts
Increase/(decrease) in trade payables
Increase/(decrease) in consumer deposits
Decrease in short term obligations
Decrease in short long obligations
(Increase)/decrease in Provisions

Cash generated by/(utilised in) operations

30 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Bank balances and cash
Bank overdrafts
Net cash and cash equivalents (net of bank overdrafts)

31 CORRECTION OF ERROR

REVENUE

Licences and permits:Department of Transport
Prodiba,80:20 Ratio, RTMC and SABS adjustment - pre 2014
Traffic Revenue 2014

Donation revenue
Transfer of assets from the Department of Roads and Transport - 2014

Other income

Reversal of journal passed against revenue bank account and Accumulated surplus - pre 2014

TOTAL REVENUE

EXPENDITURE

EMPLOYEE RELATED COST

Acting allowance,housing,pension and leave misallocated 2014
FMG:Interns Allowance misallocated - pre 2014

GENERAL EXPENSES

- Unpaid deliveries paid as sundry and were double captured under expenditure votes

Free basic water - pre 2014

Environmental Management Plan - pre 2014

Printing & Stationery - pre 2014

Electricity Accounts - pre 2014

Stores & Materials - pre 2014

Conference & Congresses - pre 2014

Public Transport - pre 2014

Office Refreshments - pre 2014

Accommodation & Meals - pre 2014

Special Programmes:Disaster - pre 2014

Advertismenmt - pre 2014

Training - pre 2014

Traffic Expense -misallocation - pre 2014

Enforcement of By Laws - pre 2014

Council Functions - pre 2014

SMME Support - pre 2014

Community participation

Accommodation & Meals - 2014

Internal Sporting Activities - 2014

Youth Programme: Campaigns - 2014

PMS Coordination - 2014

Audit Committee Expenses - 2014

Consultant Fees & Research - 2014

IDP Review Process - 2014

Disaster Provision - 2014

Repairs and Maintenance

Bad Debts

- Reversal of Sundry Debtors previously written as Bad Debts

- Bad debts written off - pre 2014

Water Provisioning

- CDM incorrectly raised as a sundry debtor for water related expenditure

Communications

- Expenditure captured twice as sundry debtors and bank error

Community Participation

-

Repairs and maintenance

- CDM incorrectly raised as a creditor for water related expenditure

Printing and stationery

2013/14 expenditure not raised as accrual

Professional Fees

2013/14 expenditure not raised as accrual

Debt Determination & Baseline Project -misallocation - pre 2014

Electricity Projects

Retention captured twice

Subsistence

2013/2014 Subsistence claims raised as accrual not paid

TOTAL EXPENDITURE**INVENTORY**

Inventory written off

PROPERTY PLANT AND EQUIPMENT

Prior year adjustments - see appendix A - pre 2014

Net effect on Statement of Financial Position**Net effect on Accumulated surplus opening balance****ADDITIONAL DISCLOSURES IN TERMS OF SECTION
125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

32

32.1 Contribution to SALGA

- Council membership fees payable
- Amount paid current year
- Balance unpaid (included in creditors)**

32.2 Audit Fees

- Opening balance

Current year audit fee
Amount paid current year
Balance unpaid (included in creditors)

32.3 VAT

VAT is payable on the cash basis. VAT input receivables and VAT output receivable are shown in note 6.

32.4 PAYE & UIF

Current payroll deductions
Amount paid current year
Balance unpaid

32.5 Pension and Medical Aid Deductions

Current payroll deductions
Amount paid current year
Balance unpaid

33 COMMITMENTS

33.1 Commitments in respect of capital and current expenditure

- approved and contracted for

Current
Capital

- approved and not contracted for

Current
Capital

The expenditure will be financed from:

- Government Grants
- Internal sources

34 DEVIATIONS FROM SUPPLY CHAIN

Refer to Appendix C for details relating to deviation from supply chain processes.

35 CONTINGENT LIABILITIES

35.1 Claim for damages

The contingent liability amount represent the estimated claims against the municipality.

See Appendix D for more detail.

35.2 Wage curve

Year 1

Year 2

Year 3

TOTAL

UNAUTHORISED, IRREGULAR, FRUITLESS AND

WASTEFUL EXPENDITURE

36.1 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance

Fruitless and wasteful expenditure current year

Condoned or written off by Council

Fruitless and wasteful expenditure awaiting condonement

The fruitless and wasteful expenditure relates to spending above the approved budget.

36.2 Irregular expenditure

Reconciliation of irregular expenditure

Opening balance

Irregular expenditure current year

Condoned or written off by Council

Reversal of expenditure condoned by council

Irregular expenditure awaiting condonement by National Treasury

36.3 Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance
Unauthorised expenditure current year
Condoned or written off by Council
Reversal of expenditure condoned by council
Unauthorised expenditure awaiting condonement by
National Treasury

37 RELATED PARTY DISCLOSURES

37.1

During the year, in the ordinary course of business, transactions between the Municipalities occurred under terms and conditions no more favourable than those entered into with third parties.

Management Team

No business transaction took place between Lepelle - Nkumpi Municipality and key Management personnel (Municipal Manager and Directors) and their close family members during the year under review. Details relating to their remuneration is disclosed in note 23.

Details of loans and advances

The MFMA prohibits the granting of loans and advances to officials.

**EXPLANATION OF MATERIAL DIFFERENCES
BETWEEN FINAL BUDGET AND ACTUALS FOR THE
YEAR ENDED 30 JUNE 2015**

38

38.1 Finance Income

Interest on Arrear Account is more than the budgeted amount and it is due to persistent in the community of Lebowakgomo

38.2 Licences and permits:Department of Transport

The District Department of Transport has purchased new fleet that led to an increase in Licensing and registration

38.3 Government grants and subsidies received - capital

The difference is due to additional R 20 million MIG received in the 3rd quarter of the financial year which automatic roll over was granted

38.4 Other revenue

Actual Expenditure includes Donation received of a non cash nature amounting to R 284 000.00. Insurance refunds R 233 811.40 which is more than the R 57 247 budget for.

38.5 Traffic Fines

38.6 Bad debts

Budget on Provision for Bad debts included Provision from traffic fines. Traffic fines were used to the procurement of electronic traffic fines system that will assist in tracing the defaulters that the amount due is paid.

38.7 Depreciation and amortisation expense

There are some Infrastructure assets that were taken off the Fixed Assets Register e.g (previously classified as Infrastructure assets and Roads belonging to the District were municipality roads. The removals of those assets from the Fixed asset register led to a change in Depreciation

38.8 Free Basic Services: Electricity

Expenditure on Free Basic Electricity is dependent on the collection of free 50kw electricity

38.9 Finance cost

38.10 Repairs and maintenance

Included in the Budget for repairs and maintenance is regravelling of roads and electricity and the service providers to render those services were appointed towards the end of the financial year and that affected expenditure on repairs and maintenance

38.11 General expenses

Included in the General expenditure is expenditure on reticulation of electricity which was budgeted

38.12 Contracted services

Included in the contracted services actual expenditure is R 3 511 030.38 which was not budgeted which was paid after a legal dispute between the municipality and the previously appointed company.

39

EVENTS AFTER THE REPORTING DATE

At the time of preparing and submitting the Annual Financial Statements there were no subsequent events to disclose.

2015
R

2014
R

737 845
(472 685)

347 345
(146 405)

265 160

200 940
132 010

(80 310)

(126 667)
(123 830)

258 490
11 367
(87 150)

184 850

737 845
(552 995)
-

265 160

737 845
(348 855)
(123 830)

5 616 430
11 079 924
6 964 491
1 747 855
978 027
3 659 358
68 169
30 114 253

6 438 311
8 851 506
5 807 857
1 637 682
481 282
5 837 388
68 169
29 122 195

1 768 636

1 717 836

51 593 513
327 926

13 450 757
327 926

-
-
-
1 010 871
73 330

2 377 800
100 230

100 230

6 135
300 000

100 000
300 000

500 000
260 600

500 000
260 600

69 040
55 535 244

69 040
15 363 114

2015
R

2014
R

elates to the portion of the grant where the

has been recognised as a liability in the

the municipality was granted the approval of

Future finance charges	Present value of lease payments
1 027	72 348
<hr/>	<hr/>
1 027	72 348
<hr/>	<hr/>
(1 027)	(72 348)
<hr/>	<hr/>

2015	2014
R	R
18 954	274 546
1 027	72 347
19 981	346 893
(18 954)	(274 546)
1 027	72 347

Interest rates are fixed at the contract date.
annum. No arrangements have been
ssor's title to the leased asset.

1 861 049	1 491 346
295 542	274 169
140 995	115 493
(106 731)	(19 959)
223 949	
<u>2 414 804</u>	<u>1 861 049</u>

10 528 109 -

- 10 528 109

- -

- -

10 528 109 **10 528 109**

12 942 913 **12 389 158**

re agreement:

selected , from ten years of service to 45 years

ited a long service award

2015
R

2014
R

ermined on the basis of the recent
eers have been applied. The total closure

5 660 751	5 273 854
405 110	27 827
6 065 861	5 301 681

12 695 099	11 340 767
2 234 574	2 561 615
1 620 895	1 136 220
2 235 530	4 183 355
18 786 098	19 221 957

R000's	R000's
2 367 716 270	3 557 792 615
279 469 000	628 304 470
2 044 104 192	2 049 562 192
2 461 006 585	1 479 553 371
7 152 296 047	7 715 212 648

re into effect on 1 July 2012. Interim
property values due to alterations and

5 380 490	2 627 220
5 472 453	3 858 938
20 692	7 693
10 873 634	6 493 851

2015
R

50 732 648

2014
R

36 808 517

use relating to water and sanitation on behalf
of the collected during the current year. The

3 694 649

3 493 940

169 001 090

161 207 000

1 600 000

934 000

1 785 330

3 043 800

430 960

-

-

143 533 012

138 190 000

1 549 999

889 943

1 124 670

1 778 400

32 881 981

31 777 244

-

1 010 871

93 865

14 900 007

10 602 344

249 770

4 047 893

201 883 071

158 433 019

(0)

26 999

1 600 000

1 523 000

(1 600 000)

(1 549 999)

(0)

(0)

-

51 943

934 000

838 000

(934 000)

(889 943)

-

-

2015 R	2014 R
13 450 757	2 189 101
69 920 000	24 064 000
-	(2 200 000)
(31 777 244)	(10 602 344)
<u>51 593 513</u>	<u>13 450 757</u>

1 010 871	3 246 764
-	5 000 000
(3 262 000)	(3 188 000)
(1 010 871)	(4 047 893)
<u>(3 262 000)</u>	<u>1 010 871</u>

he benefit of poor households. The
as Receivable from Non Exchange
pent for 2014/15 financial year. The rollover

327 926	327 926
-	-
<u>327 926</u>	<u>327 926</u>

2015
R

2014
R

73 330	-
1 712 000	1 198 000
(1 785 330)	(1 124 670)
<hr/>	<hr/>
<hr/>	73 330

100 230	350 000
	(249 770)
100 230	100 230
<hr/>	<hr/>

100 000	100 000
<hr/>	<hr/>
6 135	100 000
<hr/>	<hr/>

300 000	300 000
<hr/>	<hr/>
300 000	300 000
<hr/>	<hr/>

(978 400)	800 000
6 400 000	
(3 043 800)	(1 778 400)
2 377 800	(978 400)
<hr/>	<hr/>

2 449 509	49 896 810
<hr/>	<hr/>
756 802	(433 834)
<hr/>	<hr/>

56 017 871	49 615 256
10 821 478	9 875 751
157 898	161 879
2 601 476	2 184 553
650 119	398 230
<hr/>	<hr/>
70 248 841	62 235 669
<hr/>	<hr/>

394 119	458 888
-	128 488
447 966	361 188
288 306	205 792
<hr/>	<hr/>
1 130 391	1 154 356
<hr/>	<hr/>

2015	2014
R	R
106 213	4550
110 763	110 763
502 977	451 152
393 400	388 100
136 155	127 248
1 032 532	966 500
319 809	167 863
310 643	168 363
54 653	-
136 405	80 932
821 509	417 159
467 666	409 298
	59 577
347 669	330 190
9 338	-
143 600	156 675
968 273	955 739

2015	2014
R	R
511 350	475 467
-	23 038
378 752	359 333
63 768	61 200
<u>953 870</u>	<u>919 038</u>

440 869	262 288
41 141	12 257
371 577	225 789
122 731	70 402
<u>976 319</u>	<u>570 736</u>

445 481	431 542
390 524	309 359
416 558	391 310
2 134 302	1 849 319
6 112 354	5 640 927
3 445 528	3 170 086
2 850 150	2 978 943
<u>15 794 896</u>	<u>14 771 487</u>

secretarial support. The Mayor has use of a

#

Outstanding less than 90 days	Outstanding more than 90 days
586	-
577	-
369	5 558
264	940
303	377
655	1 871
142	-
70	-
127	-
<u>3 091</u>	<u>8 746</u>

Outstanding less	Outstanding more
670	4 554
149	
310	503
853	2 817
1608	1 508
275	
442	2 565

2015	2014
R	R
2 534	7 184
2 655	5 014
2 860	5 301
<u>12 356</u>	<u>29 446</u>

27 182 586	32 198 412
80 310	126 667
<u>27 262 896</u>	<u>32 325 079</u>

<u>18 954</u>	<u>54 034</u>
----------------------	----------------------

2015
R

2014
R

2 920 000	1 560 000
6 115 377	2 552 587
9 035 377	4 112 587

2 375 153	1 646 346
730 064	571 102
287 335	235 153
2 161 871	1 489 832
332 328	292 631
109 568	116 069
3 319	3 081
544 554	328 316
228 357	127 834
2 070	
13 371	
-	
138 057	
758	
10 000	
29 932	
4 038 868	4 001 213
-	
100 640	145 327
3 395 806	13 954 796
-	-
-	1 799 921
-	122 927
2 250 751	2 435 142
516 296	370 487
-	-
2 687 620	4 348 358
727 693	36 592
752 406	488 949
-	-
20 340	15 069
527 694	236 997
1 331 567	491 800
(269 446)	686 810
288 658	162 173
249 884	353 062

2015	2014
R	R
1 031 653	694 714
921 503	975 017
-	-
3 834 286	3 733 268
-	-
64 057	69 267
109 660	214 050
5 372	6 092
3 985	3 792
1 062 527	910 749
-	7 301
138 638	123 800
142 147	93 970
-	-
1 662 389	2 812 793
-	-
57 371	987
477 758	382 662
147 257	134 902
-	10 528 109
745 614	
5 005 627	10 463 885
<u>38 995 356</u>	<u>65 615 345</u>

2015
R

2014
R

105 059 917 103 644 917

27 262 896 32 325 080
20 343 868 (7 787 020)
- (48 289 249)
2 703 581 937 510
553 755 567 807
18 954 54 034

(50 732 648) (6 493 851)
756 802 (433 834)

105 967 125 **74 525 394**

(739 686) (563 842)
(6 221 601) 1 486 595

4 011 243 (34 485 700)
9 474 853 4 508 844
40 172 129 8 020 381
992 058 (11 616 740)
50 800 1 226 610
(202 198) (239 474)
(72 347)
553 755 -

133 477 618 **42 862 069**

193 807 016 108 805 865

193 807 016 **108 805 865**

(1 826)
[(26 907)
25 081]

(284 418)

(957 056)

(1 243 301)

39 354

2015
R

2014
R

42 984
(3 630)

(630 862)

(28 210)
(5 781)
(68 722)
(8 050)
(62 438)
(4 525)
(17 340)
(1 324)
(59 965)
(12 025)
(22 363)
(9 221)
(3 736)
(129)
(6 750)
(1 257)
(5 000)
(23 834)
(25 491)
(41 400)
(12 533)
(16 042)
(118 421)
(18 331)
(8 514)
(49 461)

(2 672 894)
(2 664 326)
(8 568)

3 124 092

2015
R

2014
R

- 18 500

- (10 000)

(539 097)

36 834

(36 895)

2 572

209 322

(6 972)

(466 045)

(40)

45 690 991

45 690 991

43 981 606

43 981 606

727 693

(727 693)

-

-

-

-

-

(0)

(0)

2015	2014
R	R
2 375 153	1 646 346
(2 375 153)	(1 646 346)
(0)	(0)

8 108 702	9 617 571
(8 108 702)	(9 617 571)
-	-

14 102 949	13 905 779
(14 102 949)	(13 905 779)
-	-

7 684 144	6 780 111
45 102 114	70 607 660
52 786 258	77 387 771

2015
R

22 947 179
29 839 079
52 786 258

2014
R

3 833 427

5 224 885

71 462
522 016
193 354

786 832

3 833 427

6 011 717

3 089 619
1 042 234

3 015 741
73 878

4 131 853

3 089 619

95 762 200
8 594 749

72 104 730
23 657 470

104 356 949

95 762 200

2015	2014
R	R
15 174 085	13 916 876
5 287 088	1 257 209

<u>20 461 173</u>	<u>15 174 085</u>
--------------------------	--------------------------

ty and the under -mentioned parties have
3 parties in an arm's length transaction.

2015
R

2014
R

non payment by the

revenue from

financial year of

€ 419.99 and

€ not impaired due
to the financial year
and ensuring

Gravel roads
classified as
decrease in

city by registered indigent

ty maintenance
the financial year

udgeted as capital expenditure

budgeted for,
ited security

2015
R

2014
R

Description			
	Opening Balance	Prior year adjustment	Restated opening bal
	R		
Land and Buildings			
Land	1 746 991	-	1 746 991
Buildings	333 055 756	15 950 703	349 006 459
	334 802 748	15 950 703	350 753 451
Infrastructure			
Electricity Network	12 406 715	-	12 406 715
Roads Network	293 263 286	(115 464 119)	177 799 167
	305 670 002	(115 464 119)	190 205 883
Capital Work in Progress			
Land and buildings	25 875 139	(4 818 037)	21 057 102
Infrastructure	12 930 396	(1 262 804)	11 667 592
	38 805 535	(6 080 841)	32 724 694
Other Assets			
Furniture and fittings	4 204 419	(4 229)	4 200 190
Motor vehicles	20 534 632	(1 217 401)	19 317 231
Office equipment	5 384 058	108 584.00	5 492 642
Plant and Equipment	3 589 519	(13 784)	3 575 735
	33 712 629	(1 126 830)	32 585 798
Intangible Assets			
Computer Software	737 845	-	737 845
Lease Assets			
Office equipment	1 420 492.85	-	1 420 492.85
Total	715 149 251	(106 721 087)	608 428 163
			(45 521 457)

ANALYSIS OF P

Historical Cost				
Additions	Fair value	Transfers	Donated	Disposals
R		R		R
6 366 744	70 624	972 335	-	(722 244)
6 366 744	70 624	972 335	-	(722 244)
10 814 097		3 888 753	-	-
10 814 097	-	3 888 753	-	-
6 066 890 19 628 766		(972 335) (3 888 753)		
25 695 656	-	(4 861 088)	-	-
19 005 3 815 560 1 074 702 68 254	80 963.00 - 81 238.00 1 184.00	- - - -	8 695.00 - 275 723.00 -	(701 905) (14 029) -
4 977 521	163 385	-	284 418	(715 934)
-		-		-
47 854 019	234 009	-	284 418	(1 438 178)

APPENDIX A
Lepelle Nkumpi Local Municipality
PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2015

		Accumulated Deprec			
Closing Balance	Opening Balance	Prior year adjustment	Restated opening bal	Additions	
R	R			R	
1 746 991 355 693 918	64 098 926	2 255 332	66 354 258	16 491 649	
357 440 910	64 098 926	2 255 332	66 354 258	16 491 649	
12 406 715 192 502 017	2 018 948 92 094 458	- (63 177 800)	2 018 948 28 916 658	1 183 275 5 371 072	
204 908 733	94 113 405	(63 177 800)	30 935 605	6 554 347	
26 151 657 27 407 605			- - -		
53 559 262	-	-	-	-	-
4 308 853 22 430 886 6 910 276 3 645 173	1 677 738 6 064 455 2 856 768 2 102 436	(28) (32 329) (238 396) (6 410)	1 677 711 6 032 126 2 618 372 2 096 026	593 840 1 630 200 1 122 222 532 065	
37 295 189	12 701 397	(277 163)	12 424 235	3 878 327	
737 845	348 854.02	-	348 854	80 310	
1 420 492.85	1 097 663	-	1 097 663	258 264	
655 362 431	172 360 246	(61 199 631)	111 160 615	27 262 897	

iation			Accumulated	
Transfers	Disposals	Closing Balance	Opening Balance	Additions
R	R	R	R	R
		(216 871)	82 629 036	
-	(216 871)	82 629 036	-	-
			3 202 222	
			34 287 730	
-	-	37 489 952	-	-
-	-	-	-	-
-	-	2 271 551	-	-
-	(458 266)	7 204 060	-	-
-	(6 239)	3 734 355	-	-
-	-	2 628 091	13 386	-
-	(464 505)	15 838 057	13 386	-
-	-	429 164	123 830	-
-	-	1 355 927		
-	(681 376)	137 742 136	137 216	-

1 Impairment		Carrying Value R
Disposals R	Closing Balance R	
		1 746 991
		273 064 882
		-
-	-	274 811 873
		9 204 493
		158 214 288
-	-	167 418 781
		26 151 657
		27 407 605
-	-	53 559 262
		2 037 302
-	-	15 226 826
-	-	3 175 921
-	13 386	1 003 696
-	13 386	21 443 746
	123 830	184 851
		64 566
-	137 216	517 483 079

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF

Name of Grants			
		Sep	Dec
Equitable Share	National Treasury	63 810 000.00	50 474 000.00
Extended public works Programme	Public Works	685 000.00	513 000.00
Public transport infrastructure and systems grant		-	-
Integrated national electrification programme grant	DME		
Electricity demand side management grant			
Municipal infrastructure grant	National Treasury		
Neighbourhood development partnership grant	National Treasury		
Local government financial management grant <i>IMMIS</i>	National Treasury		
Water services operating grant			
water services refurbishment grant			
Municipal systems improvement grant	DCOG	64 495 000	50 987 000

APPENDIX
DISCLOSURE OF GRANTS AND SUBSIDIES F

2003

Quarterly receipts				
March	June	Total	Sep	Quarte
43 661 000.00	-	-	-	-
514 000.00	-	-	-	-
44 175 000	-	-	-	-

**B
FOR THE YEAR ENDED 30 JUNE 2015**

Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
Total		Yes / No	
		Yes	
189 731 000		Yes	

LEPELLE-NKUMPI
APPENDIX C
DEVIATION FROM SUPPLY CHA
SUPPLY CHAIN MANAGEMENT REGULATION 36(2) F

DATE	DEPARTMENT	SUPPLIER	AMOUNT
25/07/2014	Technical Services	Institute of Municipal Engineering of South Africa	R 6 324.00
25/07/2014	Municipal Manager's Office	Institute of Internal Auditors South Africa	R 9 348.00
21/07/2014	Technical Services	Institute of Municipal Engineering of South Africa(IMESA)	R 21 156.00
21/07/2014	Mayor's Office	Intelligence Transfer Centre	R 13 678.86
11/07/2014	Mayor's Office, Budget & Treasury, Corporate, Technical	Continuing Education at University of Pretoria	R 98 800.00
11/07/2014	Technical Services	Continuing Education at University of Pretoria	R 24 700.00
30/07/2014	Community Services, Planning & LED	Institute of Waste Management of SA	R 20 300.00
01/08/2014	Budget & Treasury	Human Communications	R 45 277.79
01/08/2014	Corporate Services	Zebediela Community Radio station	R 5 000.00
01/08/2014	Corporate Services	Greater Lebowakgomo Community Radio station	R 10 800.00
05/08/2014	Municipal Manager's Office	Profounder intelligence management services	R 12 538.86
06/08/2014	Mayor's Office	Kopano bus services	R 43 900.00

12/08/2014	Community Services	Tshwane Metropolitan Police Department	R 20 641.60
12/08/2014	Community Services	Department of Community and safety Gauteng Provincial Government South Africa	R 17 969.00
12/08/2014	Budget & Treasury	CSX Customer Services	R 21 924.78
12/08/2014	Budget & Treasury	Human Communications	R 84 649.77
15/08/2014	Municipal Manager's Office	ACFE	R 7 500.00
28/08/2014	Corporate Services	Pay Day software systems	R 4 100.00
20/08/2014r	Corporate Services	Sunrise Panelbeaters breakdown	R 5 000.00
20/08/2014	Corporate Services	Sunrise Panelbeaters breakdown	R 2 500.00
20/08/2014	Corporate Services	SALGA	R 666 633.00
28/08/2014	Technical Services	Verusha Investment t/a Dr Manufacturing & crane	R 18 240.00
22/08/2014	Community Services	Institute of traffic and Municipal Police officers of Southern Africa	R 7 800.00
22/08/2014	Planning & LED	Human Communications	R 37 554.36
22/08/2014	Budget & Treasury	Pay day software systems	R 16 400.00

28/08/2014	Corporate Services	Pogrund & Legodi attorneys	R 170 435.60
28/08/2014	Corporate Services	Leshabane Technologies	R 51 400.00
08/08/2014	Budget & Treasury	PALAMA –School of Government	R 91 200.00
08/12/2014	Corporate Services	Human Communication	R 42 664.16
04/08/2014	Corporate Services	Payday Software Systems Pty Ltd	R 37 167.42
04/08/2014	Corporate Services	Business Connexion(BCX)	R 391 163.53
20/08/2014	Corporate Services	FIJUTSU	R 99 480.27
02/09/2015	Corporate Services	Lexis nексis	R 11 762.00
12/09/2014	Community Services	Institute of traffic and Municipal Police officers of Southern Africa	R 2 800.00
02/09/2014	Corporate Services	Maboku Mangena Attorneys	R 300 000.00
02/09/2014	Community Services	DMISA	R 12 800.00
12/09/2014	Corporate Services	Taranisco Advisory	R 5 980.00

08/09/2014	Community Services	Falaz General and Trading	R 125 940.00
12/09/2014	Community Services	Motsaro Trading Enterprise	R 88 000.00
12/09/2014	Community Services	DMISA	R 6 400.00
12/09/2014	Corporate Services	IMPSA	R 6 500.00
12/09/2014	Budget & Treasury	IMFO	R 23 019.00
12/09/2014	Mayor's Office	Masana Brainstrom Conferencing cc	R 7 866.00
12/09/2014	Mayor's Office	Masana Brainstrom Conferencing cc	R 7 866.00
19/09/2014	Corporate Services	IMFO	R 16 120.00
12/09/2014	Corporate Services	Big 5 Distribution	R 3 952.38
19/09/2014	Municipal Manager's Office, Planning & LED	IMFO	R 24 180.00
19/09/2014	Corporate Services	MD Sekwaila	R 77 519.20
30/09/2014	Corporate Services	Kopano Bus Service	R 49 230.00

23/09/2014		Business Connexion	R 54 200.89
	Corporate Services		
25/09/2014		Mabote Maintenance Services	R 68 000.00
	Corporate Services		
17/09/2015		Phoeunice PTY LTD	R 26 480.00
	Technical Services		
22/10/2014		SC Mdhluli Attorneys	R 100 820.00
	Corporate Services		
29/10/2014		IT Master	R 3 035.87
	Corporate Services		
02/10/2014		African directory	R 22 794.30
	Corporate Services		
02/10/2014	Municipal Manager's Office	Institute of internal auditors South Africa	R 4 459.68
21/10/2014		Pay Day systems pty ltd	R 11 719.20
	Budget & Treasury		
10/10/2014		SAPI	R 16 200.00
	Planning & LED		
29/10/2014	Municipal Manager's Office	Institute of internal Auditors South Africa	R 3 762.00
17/10/2014		Institute of waste management of Southern Africa	R 5 130.00
	Community Services		
13/10/2014		SARS	
			R 283 581.80
	Corporate Services		

22/10/2014	Corporate Services	Greater Lebowakgomo Community	R 5 000.00
22/10/2014	Corporate Services	Zebediela Community Radio station	R 7 000.00
02/10/2014	Corporate Services	Chaba panel beaters	R 5 000.00
03/11/2014	Planning & LED	Elwazini Conferencing cc	R 10 257.72
08/12/2014	Technical Services	Workshop electronics	R 14 542.40
15/12/2014	Technical Services	Barloworld equipment	R 139 080.34
08/12/2014	Technical Services	ALCO SAFE PTY LTD	R 8 424.60
08/12/201	Community Services	Truvelo Manufactures	R 2 945.28
11/12/2014	mayor's Office	Greater Lebowakgomo Community Radio station	R 13 800.00
11/12/2014	mayor's Office	Zebediela Community Radio station	R 6 300.00
15/12/2014	Corporate Services	Falaz auto and panel beaters	R 3 562.99
11/12/2014	Community Services	Lexis Nexis	R 4 535.49
19/12/2014	Corporate Services	Sunrise Panel beaters and breakdown	R 5 000.00
04/12/2014	Corporate Services	Kamperbeek Twine & Popgrund	R 17 955.00

17/12/2014		Inet Winet	R 2 338.60
	Budget & Treasury		
17/12/2014		Today Destiny Trading	R 9 650.92
	Corporate Services		
08/12/2014		PC Mogale & co incorporated	R 23 163.75
	Corporate Services		
08/12/2014		PC Mogale & co incorporated	R 27 867.18
	Corporate Services		
08/12/2014		Workshop Electronics	R 62 597.40
	Technical Services		
24/12/2014		Ingwe waste Management	R 128 234.04
	Community Services		
29/12/2014		Boyane Chemicals and trading enterprise	R 74 585.00
	Technical Services		
29/12/2014		Letsemeng Civil Works	R 104 652.00
	Technical Services		

29/12/2014		Lempo transport and earthworking	
	Technical Services		R 96 000.00
29/12/2014		Falaz General trading	
	Technical Services		R 169 000.00
29/12/2014		Khum investment	
	Technical Services		R 111 150.00
16/01/2015		Human communications	
	Budget & Treasury		R 33 752.55
23/01/2015		Zebediela Community radio station	
	Corporate Services		R 8 000.00
21/01/2015		Greater Lebowakgomo Community	
	Corporate Services		R 11 280.00
21/01/2015		National auto class	
	Corporate Services		R 625.00
21/01/2015		National auto class	
	Corporate Services		R 625.00
23/01/2015		Predicate logistics PTY LTD	
	Budget & Treasury		R 2 124.80
29/01/2015		Decade Pulse PTY LTD	
	Community Services		R 14 990.00
04/02/2015		R and D Trading Enterprise CC t/a Wenbro	
	Technical Services		R 3 011.37

10/02/2015	Corporate Services	Kopano Bus services	R 44 100.00
02/03/2015	Municipal Manager's Office	Iniswa promotions	R 39 622.98
04/02/2015	Technical Services	R and D trading enterprise t/a Wenbro	R 22 794.30
09/02/2015	Community Services	Selema plant hire construction	R 159 000.00
09/02/2015	Municipal Manager's Office	Human Communications	R 56 334.52
03/02/2015	Corporate Services	University of Pretotia	R 131 000.00
18/02/2015	Corporate Services	Nashua	R 2 449.84
18/02/2015	Technical Services	Barloworld Equipment	R 146 351.44
17/02/2015	Corporate Services	PNP Motors	R 33 076.00
13/02/2015	Corporate Services	Kgolo institute	R 311 220.00

13/02/2015	Corporate Services	Payday Software	R 23 900.00
04/02/2015	Corporate Services	Sensory solutions pty Ltd	R 6 950.00
04/02/2015	Corporate Services	Continuing of Education of University of Pretoria	R 10 600.00
27/02/2015	Corporate Services	IMPSA	R 250.00
02/03/2015	Municipal Manager's Office	'Iniswa' Promotions	R 39 622.98
03/03/2015	Corporate Services	Salga Pretoria	R 6 000.00
03/03/2015	Corporate Services	Salga Pretoria	R 30 000.00
03/03/2015	Municipal Manager's Office	ZB FM	R 8 400.00
05/03/2015	Municipal Manager's Office	GL FM	R 2 460.00
10/03/2015	Corporate Services	ZB FM	R 7 000.00
10/03/2015	Corporate Services	GL FM	R 8 375.00
12/03/2015	Municipal Manager's Office	Human Communications	R 36 827.65

12/03/2015	Corporate Services	ZB FM	R 11 200.00
12/03/2015	Budget & Treasury	Human Communications	R 30 538.02
18/03/2015	Corporate Services	GL FM	R 6 940.00
23/03/2015	Corporate Services	Basadzi Personnel	R 46 191.55
24/03/2015	Corporate Services	Zebediela fm	R 11 200.00
25/03/2015	Corporate Services	SABC	R 795.00
03/27/2015	Corporate Services	GL FM	R 12 680.00
01/04/2015	Budget & Treasury	Human Communications	R 36 967.08
05/03/2015	Mayor's Office	IMFO	R 13 290.00
09/03/2015	Municipal Manager's Office	IMFO	R 13 290.00
10/04/2015	Planning & LED	IMFO	R 4 765.00
16/04/2015	Corporate Services	IMFO	R 4 765.00
30/04/2015	Corporate Services	SALGA	R 61 300.23

10/04/2015	Corporate Services	Deloitte	R 19 950.00
28/04/2015	Corporate Services	South African post office	R 1 164.00
29/04/2015	Technical Services	Today s destiny	R 61 286.95
29/04/2015	Technical Services	Today s destiny	R 37 796.96
27/03/2015	Community Services	Ingwe waste management	R 128 234.04
01/04/2015	Community Services	Selema plant hire	R 159 000.00
01/04/2015	Corporate Services	Sunrise Panel beaters	R 7 500.00
28/04/2015	Corporate Services	Lateral insurance	R 4 877.01
30/03/2015	Corporate Services	Andy 's service station	R 23 540.00
30/03/2015	Corporate Services	Andy 's service station	R 35 294.00

15/04/2015	Corporate Services	QMS training	R 9 462.00
20/03/2015	Municipal Manager's Office	Orion Magobaskloof Hotel	R 142 880.00
17/04/2015	Corporate Services	Greater Lebowakgomo Community Radio Station	R 10 000.00
17/04/2015	Corporate Services	Zebediela Community Radio Station	R 10 000.00
17/04/2015	Corporate Services	Zebediela Community radio station	R 10 000.00
17/04/2015	Corporate Services	Greater Lebowakgomo Community radio station	R 10 000.00
08/05/2015	Municipal Manager's Office	The park Hotel	R 147 020.00
20/05/2015	Corporate Services	SABC TV Licenses	R 1 164.00
15/04/2015	Corporate Services	IMSSA	R 5 000.00

27/03/2015	Community Services	Ingwe waste management	R 128 234.04
01/04/2015	Community Services	Selema plant hire	R 159 000.00
16/03/2015	Corporate Services	Pixelcam trading	R 64 500.00
10/06/2015	Corporate Services	Southern Africa Inter-Municipal Sports Association	R 10 000.00
10/06/2015	Municipal Manager's Office	Institute of Internal Auditors	R 600.00
10/06/2015	Corporate Services	SALGA	R 20 000.00
09/06/2015	Budget & Treasury	Institute of Municipal Finance Officials (IMFO)	R 48 290.00
04/06/2015	Community Services	Alta Swanepoel & Associates	R 7 650.03
17/06/2015	Budget & Treasury	Predicate Logistics (pty)Ltd	R 32 153.84
17/06/2015	Corporate Services	SITA	R 6 906.22
17/06/2015	Municipal Manager's Office	Mabula Game Lodge	R 32 945.00

17/06/2015	Corporate Services	Kampherbeek Twine & Pogrund	R 31 468.70
19/06/2015	Municipal Manager's Office	Khaya Ndlovu Manor House	R 1 400.00
17/06/2015	Corporate Services	PC Mogale	R 28 459.73
25/05/2015	Corporate Services	Tlou Gasengwana	R 22 500.00
	Corporate Services	Mokwekwes Trading	R 28 500.00
19/05/2015	Corporate Services	Greater Lebowakgomo Community	R 7 080.00

19/05/2015	Corporate Services	Zebediela Community Radio station	R 9 800.00
19/05/2015	Corporate Services	Greater Lebowakgomo Community	R 7 080.00
19/06/2015	Budget & Treasury	Department : National school of government	R 165 240.00
27/05/2015	Corporate Services	Human Communications	R 34 391.52
20/03/2015	Municipal Manager's Office	Kopano Bus services	R 40 400.00
04/05/2015	Community Services	Ingwe Waste Management	R 128 234.04
04/05/2015	Community Services	Selema Plant Hire	R 159 000.00
18/03/2015	Corporate Services	Kopano Bus Service	R 16 200.00
01/04/2015	Budget & Treasury	Human Communications	R 36 967.08
		TOTAL	R 8 034 842.50

**IN PROCESSES
OR THE YEAR ENDED 30 JUNE 2015**

REASON FOR DEVIATION
SCM Reg 36(b) Other Reasons: IMESA will be hosting its 70 th IMESA conference schedule for 29-31 October 2014 in Durban international conventional centre as a result obtaining three quotes from other service providers becomes impractical,
SCM Reg 36(b) Other Reasons: IIASA will be hosting its 17 th Southern African international audit conference schedule for 11-13 August 2014 in Sandton conventional centre as a result obtaining three quotes from other service providers becomes impractical,
SCM Reg 36(b) Other Reasons : IMESA will be hosting its 70 th IMESA conference schedule for 29-31 October 2014 in Durban international conventional centre as a result obtaining three quotes from other service providers becomes impractical,
SCM Reg 36(b) Other Reasons: ITC will be hosting its 6 th annual leadership development for women in Government and state owned enterprise schedule for 23-25 July 2014 in Gold reef city Johannesburg as a result obtaining three quotes from other service providers becomes impractical,
SCM Reg 36(b) Other Reasons: Continuing Education University of Pretoria will be hosting its Office management and Secretarial Development training programme for six months staring from July to December in University of Pretoria Hatfield as a result obtaining three quotes from other service providers becomes impractical,
SCM Reg 36(b) Other Reasons: Continuing Education University of Pretoria will be hosting its Office management and Secretarial Development training programme for six months staring from July to December in University of Pretoria Hatfield as a result obtaining three quotes from other service providers becomes impractical,
SCM Reg 36(b) Other Reasons : Institute of waste management of Southern Africa will be hosting its wastecon 2014 international conference schedule for 06-10 October 2014 in Westerncape as a result obtaining three quotes from other service providers becomes impractical,
Other Reasons: SCM Reg 36(b) SCM policy requires us to advertise for 7 days on notice board and website and given the urgency and time frame of the request it became impractical to advertise for 7 days.
Other Reasons: SCM Reg 36(b) Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipality area of jurisdiction, hence obtaining three quotes was impractical
Other Reasons: SCM Reg 36(b) Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipality area of jurisdiction especially Lebowakgomo residents, hence obtaining three quotes was impractical
Other Reasons: SCM Reg 36(b) Profounder intelligence management services hosted building capacity to fight fraud and corruption in the public and private sector in Southern Africa as a result obtaining three quotes from other service providers becomes impractical
Other Reasons: SCM Reg 36(b) SCM policy requires us to advertise for 7 days on notice board and website and given the urgency and time frame of the request it became impractical to advertise for 7 days.

Other Reasons: SCM Reg 36(b) Tshwane Metropolitan Police Department offers examiners of driving license training, the course is legislated and offered by an organ of state hence obtaining three quotations becomes impractical

Other Reasons: SCM Reg 36(b) Department of Community Safety Gauteng is providing a course for community safety officers and examiners of vehicles training, the course is legislated and offered by an organ of state hence obtaining three quotations becomes impractical,

Strip and Repair: SCM Reg 36(a) CSR Customer Services was requested to strip and repair on the Municipality's Auto sealer (CSX product), repairing of the machine requires the service provider to attend to fault before problem could be identified hence it became impractical to follow SCM procedure,

Other Reasons: SCM Reg 36(b) SCM policy requires us to advertise for 7 days on notice board and website and given the urgency and time frame of the request it became impractical to advertise for 7 days.

Other Reasons: SCM Reg 36(b): ACFE will be hosting its 07th Southern African international audit conference schedule for 06-08 October 2014 in Sandton conventional centre as a result obtaining three quotes from other service providers becomes impractical

Sole Provider: SCM Reg 36(b) The municipality has a contract with payday software systems and in case of training and workshops will only be done by payday software systems as a result obtaining three quotes from other service providers becomes impractical,

Other Reasons: SCM Reg 36(b) Payment for excess to repair the Nissan truck Reg No:CCG 276L ,claim no (MHC95Q4000016) as it was not covered by insurance claim amount less than excess

Other Reasons: SCM Reg 36(b) Payment for excess to repair the Toyota Corolla Reg. No:CCJ 164J ,claim no (MHC95Q400002) as it was not covered by insurance claim amount less than excess,

Other Reasons: SCM Reg 36(b) Payment for 2013/14 annual membership levy to SLGA

Other Reasons: SCM Reg 36(b) The Municipality hired a crane truck from Dr Manufacturing crane to remove plant that was held by Limpopo Tractors back to the Municipal premises following a court order issued to remove the plant, the Municipality was advised by our attorneys SC Mudhluli to remove such plant from Limpopo Tractors as they were facing eviction from their premises and that could impact the Municipality's property if not removed on time, hence the following the procurement process became impractical

Other Reasons: SCM Reg 36(b) ITMPOSA will be hosting its 1st joint conference scheduled from 05-07 November 2014 as a result obtaining three quotes from other service providers becomes impractical,

Other Reasons: SCM Reg 36(b) SCM policy requires us to advertise for 7 days on notice board and website and given the urgency and time frame of the request it became impractical to advertise for 7 days.

Sole Provider: SCM Reg 36(b) The municipality has a contract with payday software systems and in case of training and workshops will only be done by payday software systems as a result obtaining three quotes from other service providers becomes impractical,

<p>Other Reasons: SCM Reg 36(b) Popgrund and Legodi was appointed to act on behalf of the Municipality between the Municipality and Noko Maimela attorneys at High court, three quotes were sourced and Popgrund and Legodi attorneys met all the requirements,</p>
<p>Other Reasons: SCM Reg 36(b) Leshabane Technologies was appointed by the Municipality for recording and audio transcription for hearing of proceedings for Mr Matsetela as it is a compliance matter with code of disciplinary, The appointment letter was approved by the former legal advisor and SCM procedures were not followed as it is Accounting officer who is authorized to approve deviations and this renders the transaction irregular,</p>
<p>Other Reasons: SCM Reg 36(b) SCM policy requires us to advertise for 7 days on notice board and website and given the urgency and time frame of the request it became impractical to</p>
<p>Other Reasons: SCM Reg 36(b) SCM policy requires us to advertise for 7 days on notice board and website and given the urgency and time frame of the request it became impractical to advertise for 7 days.</p>
<p>Sole Provider: SCM Reg 36(b) The municipality has a contract with payday software systems and in case of training and workshops will only be done by payday software systems as a result obtaining three quotes from other service providers becomes impractical,</p>
<p>Other Reasons: SCM Reg 36(b) LNM uses the integrated financial management system, by the name of E -Venus that encompasses all finance function that is Budget, Expenditure and Revenue. The maintenance or licenses fees have to be paid on annual basis by the Municipality hence normal SCM processes could not be followed</p>
<p>Other Reasons: SCM Reg 36(b) The Municipality have a contract with Fijutsi for the system that is used at customer call centre, the software license need to be renewed on annual basis, The software is a Microsoft product and need regular software assurance renewal otherwise if the licenses are not renewed it might stop functioning as a result obtaining three quotes from other service providers becomes impractical</p>
<p>Other Reasons: SCM Reg 36(b) Lexis nексis will be hosting its 27 Annual labour law conference from 05-07 August 2015 as a result obtaining three quotes from other service providers becomes impractical,</p>
<p>Other Reasons: SCM Reg 36(b) ITMPOSA will be hosting its 1st joint conference scheduled from 05-07 November 2014 as a result obtaining three quotes from other service providers becomes impractical,</p>
<p>Other Reasons: SCM Reg 36(b) Popgrund and Legodi Attorneys was appointed to act on behalf of the Municipality in the matter between Noko Maimela attorneys and Lepelle Nkumpi Municipality at high court and Noko Maimela attorneys was represented by Maboku Mangena attorneys. Noko Maimela attorneys claimed an amount of R577 217.16 for the service rendered to the Municipality, the attorneys of Popgrund and Legodi attorneys advised Municipality to enter into a settlement agreement dated and signed on the 23 August 2014 with provision of full and final settlement of R300 000.00 which offer was accepted by plaintiffs' attorneys.</p>
<p>Other Reasons: SCM Reg 36(b) DMISA will be hosting the annual conference scheduled for 17-18 September 2014 at Umhlanga Rocks in Durban, as a result obtaining three quotes became impractical,</p>
<p>Other Reasons: SCM Reg 36(b) Taranisco Advisory cc will be hosting the events indaba 2014 scheduled for 25-27 September 2014 Sandton Convention centre as a result obtaining three quotes became impractical</p>

Other Reasons: SCM Reg 36(b) The Municipality is currently in terrible shortage of compactor trucks as a result of dysfunctional of compactor truck, workload and number of functional trucks doesn't correspond and as a result service delivery is affected, already efforts to fix compactor truck have been taken and awaiting repairs. The unit of waste management is currently facing a challenge were all waste collection trucks have been broken down and the services had collapsed, this has led to waste not collected in a week which led to dissatisfaction and illegal dumping, hence the procurement process could not be followed,
Other Reasons: SCM Reg 36(b) The Municipality is currently in terrible shortage of compactor trucks as a result of dysfunctional of compactor truck, workload and number of functional trucks doesn't correspond and as a result service delivery is affected, already efforts to fix compactor truck have been taken and awaiting repairs. The unit of waste management is currently facing a challenge were all waste collection trucks have been broken down and the services had collapsed, this has led to waste not collected in a week which led to dissatisfaction and illegal dumping, hence the procurement process could not be followed,
Other Reasons: SCM Reg 36(b) DMISA will be hosting the annual conference scheduled for 17-18 September 2014 at Umhlanga rocks in Durban, as a result obtaining three quotes became impractical
Other Reasons: SCM Reg 36(b) IMPSA will be hosting its international conference scheduled for 29-31October 2014 at Southern Sun Elangeni and Maharani Hotel in Durban , as a result obtaining three quotes became impractical
Other Reasons: SCM Reg 36(b) IMFO will be hosting its annual Conference scheduled for 06-08 October 2014 at Cape Town , as a result obtaining three quotes became impractical
Other Reasons: SCM Reg 36(b) Masana Brainstorm Conferencing cc will be hosting Secretary 's day celebration scheduled for 18-19 September hence obtaining three quotations becomes impractical,
Other Reasons: SCM Reg 36(b) Masana Brainstorm Conferencing cc will be hosting Secretary 's day celebration scheduled for 18-19 September hence obtaining three quotations becomes impractical,
Other Reasons: SCM Reg 36(b) IMFO will be hosting its annual Conference scheduled for 06-08 October 2014 at Cape Town , as a result obtaining three quotes became impractical
Strip & Repair: SCM Reg 36(b) Big 5 Distribution was requested to strip and repair on our Tally printer requires service provider to attend to the fault before problem could be identified hence it became impractical to follow the SCM procedure,
Other Reasons: SCM Reg 36(b) IMFO will be hosting its annual Conference scheduled for 06-08 October 2014 at Cape Town , as a result obtaining three quotes became impractical
Other Reasons: SCM Reg 36(b) Payment of estate to late Mr. MD Sekwaila (SNA48K909116).The Municipality has taken a policy on behalf of employees, but due to the fact that Municipality is the insurer the settlement amount is paid into the Municipal account and it is then paid over, The Municipality 's previous insurer Marsh Pty has made the final payment in the sum of R77 519.20
Other Reasons: SCM Reg 36(b) SCM policy requires us to advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00,given the urgency and time frame of the request it became impractical for us to advertised for 7 days,

Other Reasons: SCM Reg 36(b) LNM uses the intergraded financial management system, by the name of e-Venus that basically encompasses all finance functions that is Budget, Expenditure and Revenue. The maintenance or license fees have to be paid on annual basis by the Municipality as a result normal SCM process could not be followed.

Other Reasons: SCM Reg 36(b) advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00, given the urgency and time frame of the request it became impractical for us to advertised for 7 days,

Strip and Repair: SCM Reg 36(b) Phouenice pty LTD was requested to strip and repair on our liking pipes at Civic office, repairing requires service provider to attend to the fault before problem could be identified hence it became impractical to follow the SCM procedure

Other Reasons: SC Mdhluli attorneys was appointed to act on behalf of the Municipality against summons issued by Seokodibeng Aldabri jv. Three quotes were sourced and received from Rachene attorneys, SC Mdhluli and DS Sello attorneys, SC Mdhluli met all the requirements and was considered to represent the Municipality at high court and part of the

Other Reasons: Currently in our Municipality one of our server has a power supply failure causing the server not to function, as a result it lead to our municipal system not to function well, hence the SCM procedures and process were waived however CHM Vuwani and IT Master were requested to quote and IT Master was recommended.

Other Reasons: The RSA Government directory (African directory services pty ltd) has published on a full page corporate profile for the Municipality, the transaction is for publisher hence obtaining three quotes becomes impractical,

Other Reasons: The institute of internal auditors is the body that regulates the practice of internal auditing in South Africa, our internal audit officials are members of the institution and application is hereby made for renewal of membership for the three officials and hence obtaining three quotes becomes impractical

Other Reasons: Payroll section needs services of a pay day consultants to assist with the correction of the 2013/14 twelve month report and analyze salary suspense account and payday interface report for two days hence obtaining three quotes becomes impractical

Other Reasons: SAPI will be hosting the annual conference scheduled for 19-22 October 2014 at international convention center in Durban, as a result obtaining three quotes became impractical

Other Reasons: IIASA will be hosting its regional forum member 's meeting scheduled for 10 November 2014 at Fusion Boique hotel in Polokwane , as a result obtaining three quotes became impractical

Other Reasons: IWMSA will be hosting the accredited waste management training programme from 20-22 October 2014 in Edenvale , as a result obtaining three quotes became impractical

Other Reasons: Jeff Mathabatha attorney was appointed to act on behalf of the Municipality in the matter against Telkom to oppose 13 thirteen legal action instituted by Telkom SA whereby Telkom alleges that the Municipal officials damaged Telkom cables whilst they were performing certain duties, the entire summons were issued and served on the same date, on around January 2013, Jeff Mathabatha submitted an invoice to be paid for the service rendered on behalf of the Municipality, The Municipality withhold the payments of the submitted invoice pending the submission of a valid tax clearance and as per letter dated 13/03/2014, SARS sent a written instruction to the, Municipality to withhold and pay to SARS all available funds that is due to Jeff Mathabatha (in terms of section 179 of tax administration Act)

Other Reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipality area of Jurisdiction, There are only two community radio stations in the area (GL FM and Zebediela Community Radio) in order to attract residents hence three quotes was impractical,

Other Reasons : Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipality area of Jurisdiction, There are only two community radio stations in the area (GL FM and Zebediela Community Radio) in order to attract residents hence three quotes was impractical,

Other Reasons : Payment for excess to repair the chevrolet Aveo Reg no:CYM 538 L claim no:6288, the claim was lodged with our insurer (Lateral Unison Insurance Broker pty ltd)

Other Reasons: IDPPMS will be hosting IDP and PMS workshop to be held on the 04 November 2014 at Southern sun Elangeni as a result obtaining three quotes becomes impractical.

Other Reasons : Workshop electronics is the authorized sole dealer of militron devices to test vehicles road worthy, the service provider is licensed to sell millitron devices and does calibration, hence obtaining three quotes becomes impractical

Sole supplier: Barloworld equipment is the only authorized dealer of caterpillar plant in South Africa hence services and repairs are done by Barloworld and obtaining three quotes becomes impractical.

Sole supplier: ALCO-Safe is the authorized sole dealer of lion alcometre to test usage of alcohol by motorist, the service provider is licensed to sell lion alcometer and does the calibration hence obtaining three quotes becomes impractical

Sole supplier : Speed cameras that are utilized by LNM were manufactured by Truvelo Manufactures, cameras are now due for calibration and it is only Truvelo that can calibrate speed cameras manufactured by them hence obtaining three quotes from other service providers becomes impractical,

Other reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of Jurisdiction, there are only two community Radio station in the area, (GL FM and Zebediela FM) in order to broadcast Christmas message to the residents, hence obtaining of three quotes is not practical.

Other reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of Jurisdiction ,there are only two community Radio station in the area,(GL FM and Zebediela FM) in order to broadcast Christmas message to the residents, hence obtaining of three quotes is not practical.

Strip and quote: Falaz auto panel beaters were requested to strip and repair on our municipal vehicle CPL 993L.repairing of machinery requires service provider to attend to fault before problem could be identified hence calling three service providers was never possible

Other reasons: Lexis Nexis is a printing company responsible for distribution of Road Traffic publications our; Chief Traffic Officer and Chief Licensing Officer received National Road traffic Act amended documents, the transaction is for subscriptions and obtaining of 3 quotes is not practical.

Other reasons: Payment for excess to repair the (Land rover freemender 2 REG NO: CHL SIIL) as it was not covered by insurance claim amount less than excess,

Other reasons: Kampherebeek Twine and Popgrund was appointed as conveyance services to register the property known as ERF 25BA into the name of Lekgomo tyres .The service provider was appointed on 05 June 2013. The property was registered successfully with the deeds office. Hence the SCM process could not be followed,

Other reasons: The Municipality uses Venus integrated financial management system that encompasses all finance functions (Budget, Expenditure and Revenue) and it works in line with Inet Winet terminal software which is a programme used by the Finance department to connect to Venus and to transfer files from the Venus server, The Inet Winet terminal software is a licensed on a yearly basis and its due for renewal for 2014/15 financial year hence the normal SCM process could not be followed,

Strip and Quote: Today's destiny trading requested to strip and repair on our trailer CGS 860L ,repairing of machinery requires service provider to attend to fault before the problem could be identified hence calling three service providers was never possible,

Other reasons: PC Mogale was appointed by the Municipality in debt collection against the Dandy butchery, the matter is still pending before Thabamoopo magistrate court, Normal SCM process were not followed during the appointment, only two quotes were received from PC Mogale and Dolamo Attorneys since the matter was urgent,

Other reasons: PC Mogale was appointed by the Municipality in debt collection against the Kholofelo Enterprise, the matter is still pending before Thabamoopo magistrate court, Normal SCM process were not followed during the appointment, only two quotes were received from PC Mogale and Dolamo Attorneys since the matter was urgent,

Other reasons: Workshop electronics is the authorized sole dealer of militron devices to test vehicles road worthy, the service provider is licensed to sell militron devices and does calibration, hence obtaining three quotes becomes impractical

Other reasons: The Municipality is currently in terrible shortage of compactor truck as a result of dysfunctional of compactor truck with continuous breakdowns , and with the festive seasons ahead it is expected that the volume of waste will increase significantly and the Municipality needs to have available well services fleet to avoid disruptions of services ,consequently waste has not been collected in a week hence dissatisfaction of households and increased illegal dumping and due to the urgency of the request normal SCM processes could not be followed.

Other reasons: The Municipality is currently in terrible shortage of storm water infrastructure as a result of dysfunctional of our Machinery to perform maintenance during heavy storm, already efforts to fix and purchase other machinery have been taken but with recent heavy rains that affected some roads and properties in some settlement in the municipal area, the municipality was unable to control the damage caused by the heavy rains due to inadequate storm water control infrastructure and given the urgency of the request normal SCM processes could not be followed for hiring of Chain excavator to do damage control in areas affected.

Other reasons: The Municipality is currently in terrible shortage of storm water infrastructure as a result of dysfunctional of our Machinery to perform maintenance during heavy storm, already efforts to fix and purchase other machinery have been taken but with recent heavy rains that affected some roads and properties in some settlement in the municipal area, the municipality was unable to control the damage caused by the heavy rains due to inadequate storm water control infrastructure and given the urgency of the request normal SCM processes could not be followed for hiring of TLB to do damage control in areas affected.

Other reasons: The Municipality is currently in terrible shortage of storm water infrastructure as a result of dysfunctional of our Machinery to perform maintenance during heavy storm, already efforts to fix and purchase other machinery have been taken but with recent heavy rains that affected some roads and properties in some settlement in the municipal area, the municipality was unable to control the damage caused by the heavy rains due to inadequate storm water control infrastructure and given the urgency of the request normal SCM processes could not be followed for hiring of Tipper truck to do damage control in areas affected.

Other reasons: The Municipality is currently in terrible shortage of storm water infrastructure as a result of dysfunctional of our Machinery to perform maintenance during heavy storm, already efforts to fix and purchase other machinery have been taken but with recent heavy rains that affected some roads and properties in some settlement in the municipal area, the municipality was unable to control the damage caused by the heavy rains due to inadequate storm water control infrastructure and given the urgency of the request normal SCM processes could not be followed for hiring of Jet machine to do damage control in areas affected.

Other reasons: The Municipality is currently in terrible shortage of storm water infrastructure as a result of dysfunctional of our Machinery to perform maintenance during heavy storm, already efforts to fix and purchase other machinery have been taken but with recent heavy rains that affected some roads and properties in some settlement in the municipal area, the municipality was unable to control the damage caused by the heavy rains due to inadequate storm water control infrastructure and given the urgency of the request normal SCM processes could not be followed for hiring of Grader to do damage control in areas affected.

Other reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00 and given the urgency and time frame of the request it became impractical to advertise for 7 days on the website and notice board.

Other reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipality area of Jurisdiction, There are only two community radio stations in the area (GL FM and Zebediela Community Radio) in order to attract residents hence three quotes was impractical,

Other reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipality area of Jurisdiction, There are only two community radio stations in the area (GL FM and Zebediela Community Radio) in order to attract residents hence three quotes was impractical,

Other reasons: Payment for excess to repair the Toyota Corolla Reg no: CCJ 159 L Policy number GR14/00110/69080/01, the claim was lodged with our insurer (Lateral Unison

Other reasons: Payment for excess to repair the Toyota Corolla Reg no: CCJ 159 L Policy number GR14/00110/69080/01, the claim was lodged with our insurer (Lateral Unison Insurance Broker pty ltd) and the car was repaired by National Auto Glass,

Other reasons: Predicate logistics pty ltd is the supplier database software solution of the Iqual net and was procured as a procurement tool development with the purpose of assisting the SCM in obtain quotes from registered suppliers on a rotational basis. hence training was conducted by them and obtaining other became impractical

Other Reasons: Decade pulse pty ltd will be hosting professional development to be held on the 23-27 February2015 Birchwood Hotel and conference centre as a result obtaining three quotes becomes impractical.

Strip and Quote: Wenbro was requested to strip and repair on our lawn mower machine, repairing of machinery requires service provider to attend to fault before the problem could be identified hence calling three service providers was never possible,

Other Reasons: : SCM policy requires us to advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00 and given the urgency and time frame of the request it became impractical to advertise for 7 days on the website and notice board.

Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00 and given the urgency and time frame of the request it became impractical to advertise for 7 days on the website and notice board.

Strip, quote and repair: Wenbro was requested to strip, quote and repair on our lawn mower machine, repairing of the machine requires service provider to attend to fault before the problem could be identified hence obtaining three quotes became impractical,

Other Reasons: The Municipality is currently in terrible shortage of compactor truck as a result of dysfunctional of compactor truck, workload and number functional trucks doesn't correspond and as a result of service delivery is affected. Already efforts to fix compactor truck have been taken and awaiting repairs, the unit of waste management is currently facing challenge were all waste collection trucks have broken down and service had collapsed, given the urgency of the request there was an urgent need to outsource and deviate from normal SCM processes and procedures

Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00 and given the urgency and time frame of the request it became impractical to advertise for 7 days on the website and notice board.

Other Reasons: The municipality has identified a programme in office management and secretarial development as their skills gap in the skills audit form for the financial year 2014/15, the course is included in the WSP 2014/15, 05 secretaries have already been trained and the remaining 05 secretaries now have attend the training as they could not be trained at the same time hence obtaining three quotes became impractical

Other Reasons: The Municipality had a contract with Nashua for supply, installation and leasing of six photocopy machines for a period of 36 months and in terms of the maintenance contract with Nashua any forcible damages are not covered in the maintenance agreement, maintenance includes only toner and drum excluding staples and others hence obtaining three quotes became impractical

Strip, quote and repair : Barloworld Equipment is the only authorized dealer of the caterpillar plant in South Africa, as a result obtaining three quotes became impractical

Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00, Front endloader, TLB and Grader are not included in the Municipal petrol card and currently the machinery have run out of Petrol and it is impractical to follow normal SCM form database since we have to buy direct from local petrol station,

Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00, LNM has identified a skills gap for finance section for the programme in MFMP which forms part of skills audit form. The panned course must be implemented so national treasury's minimum competency level deadline is met which is September 2016 and schedule programme plan for most institutions for 2015 in MFMP programme is around February and March hence obtaining it was impractical to follow SCM process.

Other Reasons: The Municipality has a contract with Pay day software systems, as a result workshops and training will only be done by payday software system hence obtaining of three quotes became impractical
Other Reasons: The municipality procured specialized hardware and software (index Braille embosser) for the visually impaired for Mr Mathabatha, maintenance and servicing was required for the machine after it had line spacing and paper feeder tracks faults hence obtaining three quotes became impractical
Other Reasons: Continuing education at University of Pretoria will be hosting a program in local government law and municipal administration course for six months as a result obtaining three quotes became impractical
Other Reasons: IMPSA will be hosting labor law workshop in Polokwane and as a result obtaining three quotes became impractical
Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the municipality whenever goods services exceeding R30 000.00 required. Given the urgency and the time frame of the request as the requisition was approved and submitted to SCM on the 25 February 2015 while the MPAC public comment meeting was to be held on the 05 March 2015 and advert was to be placed starting from the 01 March 2015 hence it became impractical for us to advertise for 7 days and evaluate. However two quotes were sourced and received from Basadzi personnel and Iniswa.
Other Reasons: SALGA was hosting National Members Assembly schedule for 24-26 March 2015 at The Gallagher Convention Centre in Midrand, As a result obtaining quotes from other service provider becomes not practical.
Other Reasons: SALGA was hosting National Members Assembly schedule for 24-26 March 2015 at The Gallagher Convention Centre in Midrand ,As a result obtaining quotes from other service provider becomes Impractical.
Other Reason: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract resident for MPAC public comments annual report .Obtaining three quotes is not practical
Other Reason: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract resident for MPAC public comments annual report .Obtaining three quotes is not practical
Other Reason: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract resident for MPAC public comments annual report .Obtaining three quotes is not practical
Other Reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract service providers for the capacity building summit .Obtaining three quotes is not practical
Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the municipality whenever goods services exceeding R30 000.00 required. Given the urgency and the timeframe of the request as the requisition was approved and submitted to SCM on the 09 March 2015 while the MPAC public hearing meeting was to be held on the 19 March 2015 and advert was to be placed starting from the 15 March 2015 hence it became impractical for us to advertise for 7 days and evaluate. However three quotes where sourced and received from Human Communications, Basadzi personnel and Iniswa`.

Other Reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract service providers for the capacity building summit .Obtaining three quotes is not practical

Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the municipality whenever goods services exceeding R30 000.00 required. Given the urgency and the timeframe of the request it became impractical for us to advertise for 7 days and evaluate. However three quotes where sourced and received from Human Communications, Basadzi personnel and Iniswa`.

Other Reason: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract service providers for the capacity building summit .Obtaining three quotes became impractical

Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the municipality whenever goods services exceeding R30 000.00 required. Given the urgency and the time frame of the request, it became impractical for us to advertise for 7 days and evaluate . However three quotes where sourced and received from Human Communications, Basadzi personnel and 'Iniswa`'.

Other Reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract resident for the ordinary council meeting to table the draft 2015/2016 IDP. Obtaining three quotes is not practical.

Other Reasons: The Municipality purchased four TV sets in 2009 for the purpose of communicating with the residents within Lepelle- Nkumpi jurisdiction about the programmes and events happening in the municipality daily. The municipality has subscription with SABC for a yearly payment of business TV license hence obtaining three quotes becomes impractical.

Other Reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract resident for the ordinary council meeting to table the draft 2015/2016 IDP. Obtaining three quotes is not practical

Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the municipality whenever goods services exceeding R30 000.00 required. Given the urgency and time frame of the request hence it became impractical for us to advertise for 7 days and evaluate . However three quotes where sourced and received from Human Communications, Basadzi personnel and Iniswa`.

Other Reasons: IMFO will be hosting the 6th annual audit and risk indaba scheduled for 20-22 April 2015 as a result obtaining three quotes became impractical

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Other Reasons :Every year the Municipality has to pay membership levy to SALGA, Last year the Municipality paid the amount of R 666 633.50 and the total amount based on the actual payroll was revised which resulted in shortfall of R61 300.23. Payment of outstanding annual membership levy to SALGA hence obtaining three quotes became impractical

<p>Other Reasons: Five Municipal officials attended VAT training that was hosted by Delloite from 23-24 July 2014 without an official purchase order, hence following the normal SCM process becomes impractical</p>
<p>Other Reasons: The municipal postal address needs to be renewed annually with South African post office, hence obtaining three quotes becomes impractical</p>
<p>Other Reason : Todays Destiny was requested to strip ,quote and repair on our tractor FNN 724 N L and repairing of machinery requires service provider to attend to fault before the problem could be identified hence following the normal SCM process became impractical</p>
<p>Other Reasons: Todays Destiny was requested to strip and repair on our tractor BGH 251 L and repairing of machinery requires service provider to attend to fault before the problem could be identified hence following the normal SCM process became impractical</p>
<p>Other Reasons: The Municipality is currently in terrible shortage of compactor truck as a result of dysfunctional of compactor truck, workload and number functional trucks doesn't correspond and as a result of service delivery is affected. Already efforts to fix compactor truck have been taken and awaiting repairs and procurement of new compactors underway awaiting delivery ,the unit of waste management is currently facing challenge were all waste collection trucks have broken down and service had collapsed , given the urgency of the request there was an urgent need to outsource and deviate from normal SCM processes and procedures as the requisition was submitted on the 25/03/2015 with minimal days to can advertise for 7 days for services required for the month of April.</p>
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<p>Other Reasons: Payment for excess to repair the Nissan UD 85 truck reg no: BGZ 037 L (claim no:MUCR4R500099), the claim was lodged with our insurer (Lateral Unison Insurance Broker pty ltd) and the car was repaired by Sunrise Panel beaters, hence the normal SCM process could not be followed</p>
<p>Other Reasons: Lateral Unison insurance is appointed by the Municipality for provision of insurance of all Municipal assets for a period of three years, the Municipality paid annual cover which does not include additional assets that were procured during the year from July to September, and hence SCM process could not be followed.</p>
<p>Other Reasons: Our Municipality has the following plant and machinery(TLB, Front end loader and Grader) which are not included in the municipal petrol card and procurement of diesel for the above mentioned plant has to be done directly from local petrol station hence the normal SCM process could not be followed</p>
<p>Other Reasons: The Municipality has backup generators situated at Civic center offices and satellite offices namely Cultural and Technical services , they require refueling to counter consequences of power outages resulting from load shedding from Eskom and with the lawn mowers the Municipality has not finalized a fixed account for fuel hence following the normal SCM process becomes impractical</p>

Other Reasons : The technical service department realized a need to further train our driver operators and general worker who assist service delivery as identified in the skills audit forms , The Municipal database for service providers doesn't currently have service providers who offers TLB and Grader training hence three quotations were sourced from reputable training service providers .

Other Reasons: The Municipality has appointed a travel agency for a period of 24 months from 30 December 2013 to undertake all travelling arrangements to be undertaken by the Municipality for the period of 24 months and on the 16 March 2015 the service provider informed the Municipality and that they could not secure urgent bookings for the Municipal as they could not access the Company's credit cards since their director was involved in a car accident and in critical condition in hospital and due to the urgency and the time frame as it was submitted on the 20 March 2015 with the check in date of the 21 March 2015 it became impractical to follow the normal SCM processes

Other Reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract resident for public comments on draft of IDP/Budget 2015/16, hence obtaining three quotes became impractical

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Other Reasons: The Municipality has appointed a travel agency for a period of 24 months from 30 December 2013 to make bookings all travelling arrangements to be undertaken by the Municipality for the period of 24 months and on the 08th May 2015 requisition was submitted to SCM to make bookings for MPAC members around Mokopane checking in on the 10th to 17 May 2015 for accommodation, meals and conreference package for 11 members, due to load shedding that transpired during the day around Polokwane and given the time frame to process the requisition ,direct bookings were secured with the park hotel

Other Reasons: The communications unit have procured 4 TV sets in 2009 with the purpose of communicating with residents of Lepelle Nkumpi about programmes and the payment for TV licenses was paid for 2014/15 and it has already accumulated interest

Other Reasons: IMSSA will be hosting provincial inter municipal sports games 2015 scheduled for 09 May 2015 in Musina hence obtaining three quotes became impractical

Other Reasons: The Municipality is currently in terrible shortage of compactor truck as a result of dysfunctional of compactor truck, workload and number functional trucks doesn't correspond and as a result of service delivery is affected. Already efforts to fix compactor truck have been taken and awaiting repairs and procurement of new compactors underway awaiting delivery ,the unit of waste management is currently facing challenge were all waste collection trucks have broken down and service had collapsed , given the urgency of the request there was an urgent need to outsource and deviate from normal SCM processes and procedures as the requisition was submitted on the 25/03/2015 with minimal days to can advertise for 7 days for services required for 1st April 2015 .

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Other Reasons: Service provider was requested to strip, quote and repair on surveillance camera at Traffic and Technical department, repairing of the cameras requires the service provider to attend to fault before the problem could be identified hence calling three quotes is not possible.

Other Reasons: SAIMSA is hosting 8th annual games,as a result it is impossible to follow normal SCM processes.

Other Reasons : IIA is hosting Institute of Internal Auditors Regional meeting,however it is impossible to follow normal SCM process

Other Reasons:, SALGA has established a job evaluation unit whereby they have purchased a grading system from Deloitte and Touche, all job descriptions of the officials of the municipality must be submitted for grading, obtaining 3 quotes from suppliers was not practical

Sole Provider: the municipality is currently preparing AFS in house, it is crucial that the officials are trained, IMFO has arranged training on the GRAP AFS

Other reasons: Road transport will be hosting the 16th Annual Road Transport Legislation , obtaining quotes from other service providers becomes impractical

Other reasons: Iqual system was procured from Predicate logistics from 22/04/2013 in order to ensure sourcing of quotations on rotational basis, the maintenance agreement include among others updates, service packs, training, re-training, site visit support and an annual service fee must be paid in order to ensure proper functioning of the system, hence it becomes impractical for us to advertise for 7 days.

Other reasons: the municipality website was developed by SITA in 2006 and has been maintained through SLA, there is an approved service level agreement for the above service between the municipality and SITA which is renewed annually

Other Reasons Twilight travel agency has been appointed to make bookings for the municipality whenever there is a need, on 3rd of June 2015 Mpac made a request for accommodation and meals at Mabula game lodge ,upon confirmation of order Twilight Travel declined to assist claiming that the municipality fails to pay them on time, whereas on several occasions the agency submit incorrect invoice

Other Reasons : The Municipality has instructed Kampherbeek Twine & Pogrund Attorneys to represent the Municipality in the matter between LekgomoTyres and LNM.

Other reasons: Twilight travel agency has been appointed to make bookings for the municipality whenever there is a need, on 15th of June 2015 a request for accommodation and meals at Khaya Ndlovu Manor House ,upon confirmation of order Twilight Travel declined to assist claiming that the municipality fails to pay them on time, whereas on several occasions the agency submit incorrect invoice

Other Reasons PC Mogale was appointed to defend the warrant of execution issued against the municipality, the municipality is pursuing the debt collection against Dandy Butchery,hence SCM process couldnot be followed.

Other reasons: There was a miscommunication between the Municipality Municipal demarcation board about the catering for the public meeting that was held on the 11 February 2015 and it was realised on the 10 February 2015 that there was no catering arranged for the meeting hence two services providers approached to cater for 250 people each and mobile toilets,

Other reasons: Advertising on local radio station to attract local residents within Lepelle-Nkumpi Municipal area of jurisdiction. There are only two community radio station in the area (GL FM and Zebediela FM), In order to attract resident for public comments on draft of IDP/Budget 2015/16, hence obtaining three quotes became impractical

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As per section 110 (2)(a) of the MFMA except where specifically provided otherwise ,does not apply if a Municipality or Municipal entity contracts with an organ of state for,(a) the provision of goods or services to the Municipality or Municipal entity

Other reasons: SCM policy requires us to advertise 7days on the notice boards and municipality website whenever goods and services exceeds R30 000.00, given the urgency of the request it became impractical for us to advertise for 7days and evaluate the quotes

Other reasons: Municipal Manager's unit submitted a request to hire busses for the community to attend the funeral of late Minister Collins Chabane in Malamulele , currently our database does not have companies owning busses that can provide us with the required services, however we managed to outsource from Kopano bus services and Limpopo couches,KTS travel tours, Kopano bus services became the lowest

Other reasons: the municipality is currently in terrible shortage of compactor truck as a result of dysfunctional of compactor truck, workload and number of functional trucks does not correspond and as a result service delivery is affected,the municipality is currently using hired trucks from service providers

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Other reasons: corporate service unit submitted a request to procure 2 bus transport for ward committee members, community development workers and manduna to the ward committee conference, currently our database does not have companies owning buses that can provide us with the required services, however we managed to outsource from Kopano bus services and Limpopo couches, and Kopano Bus service was the lowest.

Other Reasons: SCM policy requires us to advertise for 7 days on the notice board and website of the Municipality whenever goods and services are required exceeding R30 000.00 and given the urgency and time frame of the request it became impractical to advertise for 7 days on the website and notice board as the requisition was approved on the 26 March 2015 for tenders to be advertised on the 30 March 2015.

Contingent Liabilities

ITEM NO	CITATION	LEGAL DISPUTE	BACKGROUND
1	LEGODI FRANCINAH// LEPELLE NKUMPI MUNICIPALITY. CASE NO: 278/11 HELD AT THABAMOOPO	Unlawful removal of demarcations at unit F.	On the 20/06/2011, the plaintiff instituted an action against the respondent for mandatory interdict compelling the LNM to restore the property that was dispossessed at Makotse residence. On the 07/09/2011 LNM filed the plea to defend the legal action.
2	NTSOANE// LEPELLE NKUMPI MUNICIPALITY	Motor vehicle Collision accident.	On or about January 2014, the plaintiff instituted a legal action claiming an amount of R70 741.54 as a result of accident allegedly caused by the employee of the municipality.

3	MPELEHE AND PROJECTS // LNM	Claim for specific performance for the payment of materials delivered	On or about April 2014, the plaintiff instituted a legal action claiming an amount of R1 417 212-03 for the water materials delivered
4	Lehlotlo Security services cc // LNM AFSA (Arbitration)	Claim for specific performance for the payment outstanding PSIRA wage determination in the amount of R3 026 105,72	On or around the October the municipality received an arbitration t Lehlotlo security (former u services at the municipality) whereby they alledge that the municipality did not pay them the sectoral wage determination for 2010-2011, 2011-2012, 2012-203 and 2013-2014. Which amount s calculated at R3 026 105.72. the municipality disputed the liability and therefore instructed Popela Maake to defend the matter

5	Mmolawa kootsohle //LNM Polokwane circuit court Case no: 366/2014	Unlawful arrest	On the 12/03/2014, The plaintiff issued summons at High Court whereby he alledged that he was unlawfully arrested by the municipal traffic officers and detained in the police cells. And as a result he suffered general and specific damages in the amount of R366 719.4. The municipality instructed an attorney to oppose the matter.
6	4. ADAM AND EVE BUSSINESS ENTERPRISE//LE PELLE NKUMPI MUNICIPALITY. CASE NO 703/09 HELD AT WARMBATH MAGISTRATE COURT.	MOTOR VEHICLE COLLISION	On the 13/08/09, the plaintiff instituted a legal action against LNM for the payment of collision damages sustained by his vehicle calculated at R41 100 as a result of the negligent driving of the LNM vehicle by its employee, J Matlou. On or around September 2011, the plaintiff obtained a default judgment against the LNM in the amount of R41 100. Which was later rescinded by the municipality

7	SEKWELA EDWARD MOKOENA//LNM AND LEBAKA CONSTRUCTION. CASE NO:87/2011 TO BE HELD AT THABAMOOPA MAGISTRATE COURT	MOTOR VEHICLE COLLISION	On or around the 11/02/2011 the plaintiff instituted an action against the LNM sought a payment of damages calculated at R50 975.37 incurred as a result of the negligence on the part of LNM and construction entity, by failing to put the warning signs and the said omission led to the accident occurred between the plaintiff's vehicle.
8	LEDWABA NDLOVU TRADITIONAL AUTHORITY AND OTHERS// LNM	CLAIM FOR DAMAGES	The plaintiff alleges that LNM had unlawfully removed the erected fences and poles at unit B whilst the application for removal of those materials was and is pending at court. The plaintiff claim the payment of R50 000 for each of 3rd to fiftieth plaintiffs
9	LEDWABA NDLOVU TRADITIONAL AUTHORITY AND OTHERS// LNM	CLAIM FOR DAMAGES	The plaintiff alleges that LNM had unlawfully and wrongfully turned the arable fields of Ledwaba community into a cemetery yard. As a result they claim damages of R50 000 for 10 people
10	SILAS SILAS SETHOSA	CLAIM FOR DAMAGES	The plaintiff damages as a result of municipal negligence by failure to put road warning signs for constructions that resulted in the dug rocks damaged his vehicle

11	TELKOM SA LIMITED//LNM CASE NO:77/2015 HELD AT THABAMOOP0	CLAIM FOR DAMAGES	The plaintiff claims damages as a result of municipal employees damages to telecommunication lines belonging to the plaintiff
12	TELKOM SA LIMITED//LNM CASE:76 HELD AT THABAMOOP0	CLAIM FOR DAMAGES	The plaintiff claims damages as a result of municipal employees damages to telecommunication lines belonging to the plaintiff
13	TELKOM SA LIMITED//LNM CASE:78 HELD AT THABAMOOP0	CLAIM FOR DAMAGES	The plaintiff claims damages as a result of municipal employees damages to telecommunication lines belonging to the plaintiff
14	TELKOM SA LIMITED // LNM CASE NO: 210/2015 HELD AT THABAMOOP0	CLAIM FOR DAMAGES	The plaintiff claims damages as a result of municipal employees damages to

Appendix D
Attorneys and their Case Status as at 30 JUNE 2015

ATTORNEYS OF RECORD	STATUS OF THE CASE	COURT DATE
JEFF MATHABATHA INC 015 633 5252	<p>As per the letter dated the 04th March 2015, The plaintiff has served a letter to settle the matter with the following conditions:</p> <ul style="list-style-type: none"> I. That the municipality pays the market value of the seized materials. II. Alternatively, that the municipality should restore possession of the said materials, in a good condition III. That each party pay his/her own costs <p>The municipality have since awaited the plaintiff to confirm her materials but failed to come.</p>	<p>The matter was Set down on the 06th March 2015 but was postponed sine die for settlement purposes.</p>
SC.MDHLULI ATTORNEYS 015 291 5440	<p>The municipality had filed the special plea on the 13 February 2014. The attorneys have filed notice of hearing of special plea on the 01 September 2014.</p>	<p>Date not yet allocated</p>

MABOKU MANGENA ATTORNEYS 015 291 1992	<p>The municipality had entered an appearance to defend and filed the plea. On the beginning of February 2015, the plaintiff served the municipality with a settlement proposal as follows:</p> <ol style="list-style-type: none"> 1. That the service provider delivers the material kept in a rented store room as per the two mentioned orders issued by the municipality, 2. That the service authority pays the original price as reflected on the service provider's original invoices totalling R1 417 211.03. <p>The municipality is at this stage in a process to response to the settlement proposal.</p>	Date not yet allocated
POPELA MAAKE 015 295 7682	<p>The matter was heard on the 11 and 12 December 2014 and the arbitrator ruled that the municipality pay the outstanding PSIRA wage determination, legal costs and interests.</p> <p>The municipality paid the principal debt only. The plaintiff has late claimed the legal costs in the amount of R455 386.26</p>	N/A

POPELA MAAKE 015 295 7682	The municipality have filed a plea and on the 05th March 2015 the parties attended a pre-trial conference	12-Aug-14
MAKGOBA KGOMO AND MAKGALENG INC 015 291 9064	The case is still pending and LNM has issued an instruction to the attorney of record to proceed with the case until is heard at court	Date for trial not yet allocated no date allocated

MAMMULE CHIDI ATTORNEYS 013 231 7795	Matter still pending and no date allocated.	Date for trial not yet allocated no date allocated
MOYO INC 012 335 0817	The matter is still pending.	No date allocated
MAMMULE CHIDI ATTORNEYS 013 231 7795	The matter is still pending	No date allocated
POPGRUND AND LEGODI 015 295 0400	The matter is still pending	No date allocated

POPELA MAAKE 015 295 7682	The matter is still pending.	No date allocated
POPELA MAAKE 015 295 7682	The matter is still pending.	No date allocated
POPELA MAAKE 015 295 7682	The matter is still pending.	No date allocated
POPELA MAAKE ATTORNEYS 015 957 6782	The matter is still pending	No date allocated

AMOUNT CLAIMED

R 117 000

R 70 741.54

R 1 417 212.03

R 455 386.26

R 366 719.40

R 41 100.00

R 50 975.37

R 650 000

R 500 000

R 80 610.52

R 15 119.19
R 22 182.48
R 14 296.69
R 32 083.70
R 3 833 427.18